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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): NORTH AMERICAN POOL COMPANY. Individual(s), Association, General Partnership, Limited Partnership, Corporation-State, Other NOVA SCOTIA, CANADA CORPORATION. Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies): Name: CANADIAN IMPERIAL BANK OF COMMERCE Attention: Security Maintenance Mid-Market Address: Commercial Hamilton Street Address: 595 Bay Street, 5th Floor City: Toronto State: On Zip: M5G 2C2 CANADA. Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other CANADIAN CHARTERED BANK. If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance: Assignment, Merger, Security Agreement, Change of Name, Other. Execution Date: 12/11/02

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) 1,650,770 2,577,679, 2,606,779, 2,616,784. Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 4

5. Name and address of party to whom correspondence concerning document should be mailed: Name: SCARFONE HAWKINS LLP Internal Address: Attention: Danielle Iampietro Street Address: 1050-120 KING STREET WEST, P.O. BOX 926, DEPOT 1 City: HAMILTON State: ON Zip: L8N 3P9 CANADA

7. Total fee (37 CFR 3.41): \$ 115.00 Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature: DANIELLE IAMPIETRO Name of Person Signing Signature JANUARY 2, 2003 Date Total number of pages including cover sheet, attachments, and document: 8

01/07/2003 BYRNE 00000111 1650770 40.00 OF 75.00 OF

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 2643 FRAME: 0468


DESIGNATION OF DOMESTIC REPRESENTATIVE

Richard L. Morris, Jr., whose postal address is c/o 1-800-4-Trademark, P.O. Box 398538, Miami Beach, Florida 33239, is hereby designated as Canadian Imperial Bank of Commerce's representative upon whom notice or process in this proceeding may be served.

DATED this 2nd day of January, 2003.

Canadian Imperial Bank of Commerce

Per:



Danielle Iampietro
Solicitor for Canadian Imperial Bank of Commerce
c/o Scarfone Hawkins LLP
Barristers & Solicitors
1050-120 King Street West
Hamilton, Ontario
L8N 3P9

I have the authority to bind the Bank

SECURITY AGREEMENT

For valuable consideration, the undersigned (the "Customer") agrees with Canadian Imperial Bank of Commerce ("CIBC") as follows:

1. **Grant of Security.** The Customer mortgages, charges and assigns to CIBC, and grants to CIBC, and CIBC takes, a Security Interest in the property described in the following paragraph or paragraphs of this section (as applicable in accordance with the NOTE appearing at the end of this section), and in all property described in any schedules, documents or listings that the Customer may from time to time sign and provide to CIBC in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:

- (a) **Specific Personal Property:** the Personal Property described in Schedule A.
- (b) **All Personal Property:** all of the Customer's present and after-acquired undertaking and Personal Property (including any property that may be described in Schedule A) but excluding Consumer Goods.
- (c) **All Real Property:** all of the Customer's present and after-acquired real property (including any property that may be described in Schedule A), together with all buildings placed, installed or erected on any such property, and all fixtures.

NOTE: Check appropriate box or boxes to indicate which of paragraphs (a), (b) or (c) are to apply. If no box is checked off, paragraph (b) will apply.

2. **Governing Law.** This Agreement is governed by the laws of Ontario

ADDITIONAL TERMS AND CONDITIONS. THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES FORM PART OF THIS AGREEMENT.

The Customer has signed this Agreement on Dec 4 11, 2002

Witness:

NORTH AMERICAN POOL COMPANY

Customer's name in full



Signature **Brad Rinehart, President**

I have authority to bind the Corporation

Signature

15 Cushman Road

Customer's street address

St. Catharines, Ontario, L2M 6S7

City/Town, Province and Postal Code

Note: If the Customer is a corporation, no witness is needed. The office (such as "President" or "Secretary") of the person signing should be noted below that person's signature.

FOR INDIVIDUALS ONLY, record the following information:				
First and second names in full; surname	Birth Date*			Sex
		Month		M/F

* For Alberta, Ontario, Saskatchewan and the Yukon, record: day/month/year.
 For British Columbia and Manitoba, record: year/month/day.

- (d) the Customer ceases or threatens to cease to carry on in the normal course the Customer's business or any material part thereof;
 - (e) if the Customer is a corporation, there is, in CIBC's reasonable opinion, a change in effective control of the Customer, or if the Customer is a partnership, there is a dissolution or change in the membership of the partnership;
 - (f) the Customer becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
 - (h) the holder of a Charge takes possession of all or any part of the Customer's property, or a distress, execution or other similar process is levied against all or any part of such property; or
 - (i) CIBC, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.
- (2) Rights upon Default. Upon Default, CIBC and a Receiver, as applicable, will to the extent permitted by law have the following rights.
- (a) Appointment of Receiver. CIBC may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. CIBC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by CIBC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Customer's agent. CIBC may from time to time fix the Receiver's remuneration and the Customer will pay CIBC the amount of such remuneration. CIBC will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
 - (b) Dealings with the Collateral. CIBC or a Receiver may take possession of all or any part of the Collateral and retain it for as long as CIBC or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Customer's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as CIBC or the Receiver considers appropriate. CIBC or the Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any Place of Business.
 - (c) Realization. CIBC or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Customer or other Persons and otherwise deal with, the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as CIBC or the Receiver considers appropriate. CIBC or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Customer or otherwise.
 - (d) Application of Proceeds After Default. All Proceeds of Collateral received by CIBC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing CIBC's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by CIBC or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as CIBC considers appropriate and thereafter will be accounted for as required by law.

"Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.

"Default" has the meaning set out in subsection 10(1).

"Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Customer to CIBC, wherever and however incurred and any unpaid balance thereof.

"Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.

"Person" means any natural person or artificial body (including among others any firm, corporation or government).

"Personal Property" means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property.

"Place of Business" means a location where the Customer carries on business or where any of the Collateral is located (including any location described in Schedule B).

"PPSA" means the legislation that applies in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation) as follows: in the case of Ontario, the Personal Property Security Act, 1989; in the case of Alberta, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and the Yukon Territory, the Personal Property Security Act; and in the case of any other province or territory, such legislation as deals generally with Charges on personal property.

"Receivables" means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Customer.

"Receiver" means a receiver or a receiver and manager.

"Securities" has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.

"Serial Number" means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.

"Serial Number Good" means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.

16. General.

- (1) **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Customer will hold such last day in trust for CIBC and, upon the exercise by CIBC of any of its rights under this Agreement following Default, will assign such last day as directed by CIBC.
- (2) **Attachment of Security Interest.** The Security Interests created by this Agreement are intended to attach (i) to existing Collateral when the Customer signs this Agreement, and (ii) to Collateral subsequently acquired by the Customer, immediately upon the Customer acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

Schedule A

The following is a description of property included in the Collateral (*describe personal property by item or kind; if space is insufficient, use a separate sheet*):

See Schedule

Schedule B

The following are the Places of Business (*if space is insufficient, use a separate sheet*):

15 Cushman Road, St. Catharines, Ontario, L2M 6S7

SCHEDULE
ASSET LIST
FOR
NORTH AMERICAN POOL COMPANY

TRADEMARKS

- Cornelius & Wave Design
 - US Reg 1,650,770
 - CDN Reg TMA 403,800
- Acquarian
 - US Reg 1,018,542
 - CDN Reg TMA 178,805
- Home Oasis
 - US Reg 2,577,679
 - CDN Reg 1,063,141
- Home Oasis & Design
 - US Reg 2,606,779
 - CDN Reg 1,063,142
- Cornelius The Official Pool of Summer
 - US Reg 2,616,784
 - CDN Reg TMA 563,471
- Expand-a-Pool
- Aquarian Pools Design

Domain Names

homeoasis.ca

Patents

- Pool Wall Construction
 - US Reg 5,325,644
 - CDN Reg 2,066,339
- Above Ground Pool Components
 - US Reg 5,425,144

- Earth Brace System for Swimming Pools
- US Reg 5,522,188
- Pool Liner Perimeter
- US 09/994,474
- CDN 2,363,805
- Narrow Buttress System
- CDN 2,363,809