

10-20-2003



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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):

SLOAN VALVE COMPANY

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: MAY 29, 2003

2. Name and address of receiving party(ies)

Name: LASALLE BANK, N.A.

Internal Address:

Street Address: 135 S. LASALLE STREET

City: CHICAGO State: IL Zip: 60603

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State DELAWARE Other

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

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) PLEASE SEE ATTACHED EXHIBIT A

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: SCOTT KAPP

Internal Address: ARNSTEIN & LEHR

Street Address: 120 S. RIVERSIDE PLAZA, SUITE 1200

City: CHICAGO State: IL Zip: 60606

6. Total number of applications and registrations involved: 53

7. Total fee (37 CFR 3.41): \$ 1340

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

SCOTT KAPP Name of Person Signing

Signature

SEPT. 23, 2003 Date

Total number of pages including cover sheet, attachments, and document:

10/02/2003 JYALLAW 00000022 255451

01 FC:0521 02 FC:0522

40.00 DP 300.00 DP

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

10/17/2003 JYALLAW 00000019 255451

01 FC:0521 02 FC:0522

40.00 DP 300.00 DP

TRADEMARK REEL: 002842 FRAME: 0001

OFFICE OF PUBLIC RECORDS SEP 26 AM 11 23 FINANCE SECTION

EXHIBIT A

Trademarks

	<u>Issued Trademark</u>	<u>Number</u>	<u>Issue Date</u>
1	GEM	255,451	4/23/1929
2	XPELOR	271,429	6/3/1930
3	NAVAL	284,212	6/16/1931
4	CROWN	284,196	6/16/1931
5	ROYAL	410,682	12/12/1944
6	SLOAN	576,222	6/23/1953
7	SLOAN	584,323	1/5/1954
8	SLOAN	620,217	1/31/1956
9	ACT-O-MATIC	542,793	5/22/1951
10	DOLPHIN	786,670	3/16/1965
11	SLOAN	820,587	12/20/1966
12	BAK-CHEK	2,070,747	6/10/1997
13	SLIMLINE and Design	1,015,641	7/15/1975
14	OPTIMA	1,178,947	11/24/1981
15	Design Trademark "Hand"	1,318,983	2/12/1985
16	DESIGN TRADEMARK - HAND	1,309,775	12/18/1984
17	110	1,417,367	11/18/1986
18	186	1,414,878	10/28/1986
19	OPTIMA	1,473,023	1/19/1988
20	REGAL	2,542,671	2/26/2002
21	FLUSHOMETER Configuration	1,514,511	11/29/1988
22	SLOAN and Design	1,586,636	3/13/1990

	Issued Trademark	Number	Issue Date
23	OPTIMA	1,586,647	3/13/1990
24	BIO-GARD	1,647,193	6/11/1991
25	T.M. OPTIMA PLUS	1,769,197	5/4/1993
26	ROYAL II	2,286,617	10/12/1999
27	ON-Q	2,034,103	1/28/1997
28	PERFECT SENSE	2,059,632	5/6/1997
29	POLARIS	1,981,619	6/18/1996
30	GEM-2	1,913,193	8/22/1995
31	PERMEX	2,088,004	8/12/1997
32	CROWN/NAVAL	1,937,047	11/21/1995
33	OPTIMIX	2,072,262	6/17/1997
34	FLUSHMATE	1,450,618	8/4/1987
35	WCI	1,657,303	9/17/1991
36	COURTESY FLUSH	2,229,224	3/2/1999
37	PARA-FLO	2,089,987	8/19/1997
38	TURBO-FLO	2,095,913	9/9/1997
39	PWT and Design	2,221,972	2/2/1999
40	SLOAN HYDRONOMIC SYSTEMS	2,133,205	1/27/1998
41	MICROPLUMB	2,221,910	2/2/1999
42	GUILDMARK	2,381,688	8/29/2000
43	OPTISHIELD	2,312,300	1/25/2000
44	CONTINENTAL	2,281,297	9/28/1999
45	FLUSH VALVE DESIGN	2,416,784	1/2/2001
46	SCRUB-MINDER	2,433,947	3/6/2001
47	HEALTH MINDER	2,363,305	6/27/2000

	Issued Trademark	Number	Issue Date
48	SLOANLINK	2,424,881	1/30/2001
49	VALUE ALLIANCE CLUB & Design	2,595,201	7/16/2002
50	SLOAN	2,495,769	10/9/2001
	Pending	Number	Filing Date
51	SLOAN STONE	78/116,495	3/21/2002
52	SLOAN STONE & Design	78/116,513	3/21/2002
53	I.Q. CLIO	78/163,601	9/12/2002

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SECURITY AGREEMENT OF PATENTS, TRADEMARKS AND TRADENAMES

THIS SECURITY AGREEMENT OF PATENTS, TRADEMARKS AND TRADENAMES (this "Agreement") is made and entered into as of the 29th day of May, 2003, by and between SLOAN VALVE COMPANY, a Delaware corporation, having an office at 10500 Seymour Avenue, Franklin Park, Illinois ("Debtor"), and LASALLE BANK NATIONAL ASSOCIATION, having an office at 135 South LaSalle Street, Chicago, Illinois 60603 ("Lender").

RECITALS:

WHEREAS, Debtor and Lender are entering into a Secured Credit Agreement dated as of May 29, 2003 (as amended, restated or modified from time to time, the "Credit Agreement"), pursuant to which Debtor has made and, in the future, may make loans (collectively, the "Loans") to Debtor to be used as provided in the Credit Agreement; and

WHEREAS, it is a condition precedent, among others, to the making of the Loans under the Credit Agreement and all other Loan Documents that the Debtor shall have executed and delivered this Agreement and granted the security interest contemplated hereby to Lender;

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS. Capitalized terms not otherwise defined herein shall have the meaning herein which is stated in the Credit Agreement. As used herein, the following terms shall have the meanings indicated:

"Agreement" shall mean this Security Agreement of Patents, Trademarks and Tradenames, together with any and all amendments, modifications and supplements hereto and any and all exhibits and schedules attached hereto or thereto.

"Debtor" shall mean Sloan Valve Company, a Delaware corporation, its successors and assigns.

"Business Day" means any day of the year on which Lender is open for regular banking business in Chicago, Illinois.

"Credit Agreement" shall have the meaning set forth in the Recitals.

“Event of Default” shall mean the occurrence of any one of the following:

- (a) Failure of Debtor to comply with, or to cause any Subsidiary to comply with, any material provision of this Agreement and continuance of such failure for thirty (30) days after notice thereof from Lender;
- (b) The occurrence of an “Event of Default” (as such term is defined therein) under the Credit Agreement or any other Loan Document.

“Lender” shall mean LaSalle Bank National Association, its successors and assigns.

“Loan” shall have the meaning set forth in the Recitals.

“Loan Documents” shall mean this Agreement, the Credit Agreement, and all other notes, mortgages, assignments, guaranties, agreements, documents and instruments evidencing, securing or pertaining to the Loans or any of them.

“Obligations” shall mean all obligations (monetary and nonmonetary) of Debtor to Lender whether now existing or hereafter arising, including but not limited to Debtor’s obligations, under the Credit Agreement, and under any other Loan Document.

“Patents” shall have the meaning set forth in Section 2.1(b) hereof.

“Person” shall mean an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, government (or any agency or political subdivision thereof) or other entity of any kind.

“Subsidiary” means a corporation of which the Debtor and/or its other subsidiaries own, directly or indirectly, such number of outstanding shares as have more than fifty percent (50%) of the ordinary voting power for the election of such corporation’s directors.

“Trademarks” shall have the meaning set forth in Section 2.1(a) hereof.

2. GRANT OF SECURITY INTEREST.

2.1 Patents and Trademarks. To secure the complete and timely satisfaction of all the Obligations, Debtor hereby grants, assigns, pledges and conveys to the Lender a continuing security interest in and to all of its now owned, existing or filed and hereafter acquired, arising or filed:

(a) trademarks, tradenames, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source of business identifiers, all registrations and recordings thereof, and applications connected therewith, including, without limitation, those listed on Exhibit A attached hereto and made a part hereof, all renewals of any of the foregoing, all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing,

and the goodwill of Debtor's business which the foregoing represents (collectively, the "Trademarks").

(b) patents, all registrations and recordings thereof, and applications and documents related thereto, including without limitation, those listed on Exhibit B attached hereto and made a part hereof, all renewals of any of the foregoing, all income, royalties, damages, payments, claims, now or hereafter due and or payable, or arising with respect to any of the foregoing, and the goodwill of Debtor's business which the foregoing represents (collectively, the "Patents").

2.2 Restrictions on Future Agreements. Debtor agrees that, until the Obligations shall have been paid in full, Debtor will not, without the Lender's prior written consent (which shall not be unreasonably withheld) enter into any agreement, including, without limitation, a license agreement, which is inconsistent with the obligations of Debtor under this Agreement. Debtor further agrees that it will not take any action, or permit any action to be taken by any Subsidiary or other Person subject to the control of the Debtor, including, without limitation, licensees, or fail to take any action, which would affect the validity or enforcement of the rights transferred to the Lender under this Agreement, unless such action or inaction is commercially reasonable.

2.3 New Trademarks and Patents. Debtor represents and warrants that the Trademarks listed on Exhibit A and the Patents listed on Exhibit B constitute all of the Trademarks and Patents now owned by Debtor which are registered or for which applications have been made. If, before the Obligations shall have been paid in full, Debtor or any Subsidiary shall (i) obtain any new Trademarks or Patents or rights thereto, or (ii) become entitled to the benefit of any Trademark or Patent, Debtor shall give to the Lender prompt written notice thereof. Debtor hereby authorizes the Lender to modify this Agreement by amending any or all of Exhibit A or B, as applicable, to include any such Trademarks or Patents. In the event that a Subsidiary shall, before the Obligations have been paid in full, (i) obtain any new Trademarks, or rights thereto, or (ii) become entitled to the benefit of any Trademarks and Patents, Debtor shall cause such Subsidiary to (a) execute a copy of this Agreement as an additional Debtor and to assign a security interest in and to all of such Trademarks and Patents to Lender, or (b) assign all of its right, title and interest in and to all of such Trademarks and Patents to Debtor, whereupon such Trademarks and Patents shall be subject to the terms of this Agreement.

2.4 Term. The term of the Agreements granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks and Patents subject to a security interest hereunder, or (ii) the payment in full of the Obligations and the termination of all Commitments.

2.5 Use of Patents and Trademarks by Debtor. Debtor shall not sell or assign its interest in, or grant any sublicense under the Trademarks and Patents (except licenses to customers and suppliers in the ordinary course of business), without the prior written consent of the Lender (such consent not to be unreasonably withheld). From and after the occurrence of any Event of Default, Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois or any other jurisdiction with laws applicable to the Patents and Trademarks.

2.6 Releases. Upon payment in full of the Obligations, the Lender shall execute and deliver to or at the written direction of Debtor all assignments, releases and other instruments as may be necessary or proper to terminate Lender's security interest in the Patents and Trademarks.

2.7 Duties of Debtor. Debtor shall, and shall cause its Subsidiaries, to, (i) use commercially reasonable efforts prosecute diligently any Trademark and Patent application pending as of the date hereof or hereafter until the Obligations shall have been paid in full, (ii) use commercially reasonable efforts to make application on unpatented but patentable inventions and on Trademarks, as appropriate, and (iii) use commercially reasonable efforts to preserve and maintain all rights in the Trademarks and Patents. Any expenses incurred in connection with such applications shall be borne by Debtor. Debtor shall not, and shall cause its Subsidiaries not to, abandon any right to file a patent application or trademark application, nor shall Debtor or any of its Subsidiaries abandon any Trademark or Patent, without the prior written consent of the Lender, unless such abandonment is commercially reasonable.

2.8 No Duties of Lender. Both prior to and after an Event of Default Lender shall have no duty to and shall not in any manner be responsible for, taking any action to maintain or protect the Patents and Trademarks.

2.9 The Lender's Right to Sue. Upon and after an occurrence of an Event of Default, the Lender shall, if Debtor refuses to bring a requested action, have the right (at its sole cost and expense), but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and Patents and, if the Lender shall commence any such suit, Debtor shall, at the request of the Lender, do any and all lawful acts and execute any and all proper documents reasonably required by the Lender in aid of such enforcement.

2.10 Additional Documents. The Debtor shall, at its sole cost and expense, execute such additional documents as Lender reasonably believes necessary to enable Lender to perfect its security interest in the Trademarks and Patents and to enable Lender to record this Agreement where such recording is customarily performed to provide perfection or notice of this Agreement.

2.11. Deliveries of Debtor. Debtor will deliver to the Lender, upon request of the Lender, evidence that appropriate filings have been made to perfect the security interest granted hereby, including, without limitation, filings with the United States Government Patent and Trademark Office, and any similar domestic or foreign office, department or agency, and in form and substance reasonably satisfactory to the Lender.

3. DEFAULT.

3.1 Remedies. Upon and after the occurrence of an Event of Default:

(a) The Lender, in its sole and absolute discretion, may:

(i) exercise with respect to the Trademarks any one or more of the rights and remedies accruing to a secured party under the Uniform Commercial Code of the relevant state or states and any other applicable law upon default by a debtor; and

(ii) sell or otherwise dispose, including, without limitation, by the granting of licenses, of any of the Trademarks and Patents at public or private sale for cash or credit; provided, however, that Debtor shall be credited with the net proceeds of such sale or disposition only as and when such proceeds are actually received by the Lender; provided, however, that Lender shall use commercially reasonable efforts to collect such proceeds.

(b) Debtor recognizes that in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, no remedy at law will provide adequate relief to the Lender, and Debtor agrees that the Lender shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

(c) Any notice required to be given by the Lender of a sale, lease, or other disposition of the Trademarks and Patents, or any other intended action by the Lender, deposited in the United States mail, postage prepaid and duly addressed to Debtor at its address specified in Section 4.6 hereof (or such other address as provided by Debtor to Lender in writing) not less than ten (10) days prior to such proposed action, shall constitute commercially reasonable and fair notice to Debtor thereof.

(d) The Lender shall have the right at any time and from time to time, in its sole and absolute discretion, to take control, in any manner, of any item of payment for or proceeds of the Trademarks or Patents.

(e) The Lender may, if the Lender deems it reasonable, postpone or adjourn any sale of the Trademarks or Patents, or any part thereof, from time to time by an announcement at the time and place of sale or by announcement at the time and place of such postponed or adjourned sale, as the case may be, without being required to give a new notice of sale. Debtor agrees that the Lender has no obligations to preserve rights against prior parties to the Trademarks and Patents.

(f) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Trademarks and Patents may, in the discretion of the Lender, be held by the Lender as collateral for, and/or then or at any time thereafter applied (after payment of any reasonable amounts payable to the Lender for costs of selling the Trademarks and Patents) in whole or in part by the Lender for the benefit of the Lender against all or any part of the Obligations in such order as the Lender shall elect. Any surplus of such cash or cash proceeds held by the Lender and remaining after payment in full of all the Obligations shall be paid over to Debtor or to whomsoever may be lawfully entitled to receive such surplus, and any deficiency remaining after application of such cash or cash proceeds to the Obligations shall continue to be an Obligation, for which Debtor remains liable.

(g) Debtor hereby agrees that the use by Lender of the Trademarks and Patents as authorized hereunder after the occurrence of an Event of Default in connection with the exercise of its remedies shall be without any liability for royalties or other related charges from Lender to Debtor.

(h) Debtor further agrees that upon the occurrence of and during an Event of Default, Debtor shall upon Lender's request deliver to Lender an assignment of Debtor's rights to and in the Patents and Trademarks in a form and substance reasonably acceptable to Lender.

3.2 Waivers by Debtor. Except as otherwise provided for in this Agreement, Debtor waives (i) any bond or security which might be required by any court prior to allowing the Lender to exercise any of the Lender's remedies, and the (ii) benefit of all valuation, appraisal and exemption laws.

3.3 Cumulative Remedies. All of the Lender's rights and remedies with respect to the Trademarks and Patents, whether established hereby or by any of the other Loan Documents or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Lender under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies.

4. MISCELLANEOUS.

4.1 Waivers. No course of dealing between Debtor and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

4.2 Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

4.3 Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2.3 hereof or by a writing signed by the parties hereto.

4.4 Binding Effect; Benefits. This Agreement shall be binding upon Debtor and its successors and assigns, and shall inure to the benefit of the Lender, its successors and assigns. The Trademarks subject to a security interest under this Agreement may not be assigned by Debtor to a third party, except by permission of the Lender (which Lender may withhold in its reasonable discretion), in which event this Agreement shall be binding upon Debtor's assigns.

4.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

4.6 Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon either of the parties by the other, or whenever either of the parties desires to give or serve upon the other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered and deemed received as provided in the Credit Agreement.

4.7 Headings. The Section titles and headings in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are for convenience of reference only.

4.8 Gender. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

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IN WITNESS WHEREOF, the undersigned has executed the foregoing agreement as of the date first above written.

**SLOAN VALVE COMPANY,
a Delaware corporation**

By: Kevin G. Inclan
Title: Secretary

LASALLE BANK NATIONAL ASSOCIATION

By: [Signature]
Title: Vice President


STATE OF ILLINOIS)

) SS.

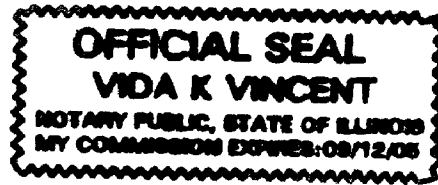
COUNTY OF Waukegan

I, V. Vincent a Notary Public in and for said County, in the State aforesaid, do hereby certify that K. McCarthy, Personally known to me to be the Secretary of SLOAN VALVE COMPANY, a Delaware corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes and in the capacity therein set forth.

GIVEN under my hand and Notarial Seal this 27th day of May, 2003.


Notary Public

My commission expires: 9-12-05



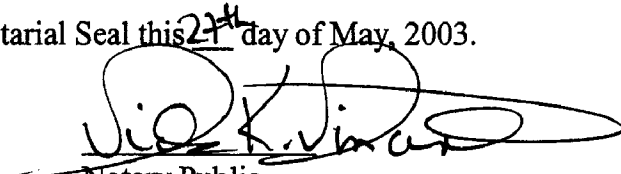
STATE OF ILLINOIS)

) SS.

COUNTY OF Cook)

I, V. Vincent, a Notary Public in and for said County, in the State aforesaid, do hereby certify that D. Sullivan, personally known to me to be the Vice Pres. of LASALLE BANK NATIONAL ASSOCIATION, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes and the capacity therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of May, 2003.


Notary Public

