

08-13-2004



OVER SHEET
ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

8-4-04
6737-50

ab settings = = =

102813223

To the Honorable Commissioner of Patents and Trademarks

Record the attached original documents or copy thereof.

Name of conveying party(ies):

IPS Corporation

NRD
8/4/04

Individual(s)

General Partnership

X Corporation-State CA

Other

☐ Association

☐ Limited Partnership

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

Nature of conveyance:

☐ Assignment

☒ Security Agreement

☐ Other

☐ Merger

☐ Change of Name

Execution Date: June 30, 2004

2. Name and address of receiving party(ies)

Name: Madison Capital Funding LLC, as agent

Internal Address:

Street Address: 30 S. Wacker

City: Chicago State: IL ZIP: 60606

☐ Individual(s) citizenship

☐ Association

☐ General Partnership

☐ Limited Partnership

☐ Corporation-State

☐ 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

Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

Additional numbers attached? ☒ Yes ☐ No

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

Name: Laura Konrath

Internal Address: Winston & Strawn LLP

33rd Floor

Street Address: 35 West Wacker Drive

City: Chicago State: IL ZIP: 60601

6. Total number of applications and registrations involved: 23

7. Total fee (37 CFR 3.41).....\$ 590.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

N/A

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

08/13/2004 EDOOPER 00000002 1043990

01 FC:0521
02 FC:0522

40.00 DP
550.00 DP

DO NOT USE THIS SPACE

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.

Laura Konrath

Signature of Person Signing

Signature

Date

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

Mail documents to be recorded with required cover sheet information to:

TRADEMARK
REEL: 003041 FRAME: 0531

UNITED STATES TRADEMARK REGISTRATIONS

| Trademark/Service Mark | Registration Number | Registration Date |
|---|---------------------|--------------------|
| WET 'R DRY | 1,843,990 | July 12, 1994 |
| 3N1 | 2,797,626 | December 23, 2003 |
| GUY GRAY MANUFACTURING COMPANY, INC. | 2,581,432 | June 18, 2002 |
| WELD-ON & Design | 1,719,732 | September 29, 1992 |
| IPS WELD-ON & Design | 1,714,837 | September 15, 1992 |
| IPS WELD-ON | 1,717,310 | September 22, 1992 |
| IPS | 1,704,462 | August 4, 1992 |
| I.P.S. | 753,120 | July 23, 1963 |
| IPS WELD-ON HOT 'R COLD & Design | 1,937,647 | November 28, 1995 |
| IPS WELD-ON POOL 'R SPA | 1,966,052 | April 9, 1996 |
| IPS | 2,648,880 | November 12, 2002 |
| Container Design | 2,657,390 | December 3, 2002 |



UNITED STATES TRADEMARK APPLICATIONS

| Trademark/ Service Mark | Date Filed | Application Serial Number |
|-------------------------|--------------------|---------------------------|
| 10N1 | October 30, 2002 | 78-179,920 |
| DE-WEDGE | August 29, 2002 | 78-159,305 |
| D-SHIM | August 29, 2002 | 78-159,302 |
| HANG-TITE | October 30, 2002 | 78-179,925 |
| PUSH N' REPAIR | July 2, 2002 | 78-140,594 |
| TECHNO FLANGE | August 5, 2003 | 78-283,537 |
| TEST-TITE | August 29, 2002 | 78-159,283 |
| X-PACK | September 13, 2002 | 78-163,917 |
| WET 'N FAST | May 12, 2003 | 76-513,282 |
| TURF 'N AG | May 12, 2003 | 76-513,283 |
| 724 | July 7, 2003 | 76-528,134 |

TRADEMARK SECURITY AGREEMENT**(TRADEMARKS, TRADEMARK APPLICATIONS
AND TRADEMARK LICENSES)**

WHEREAS, IPS Corporation, a California corporation (herein referred to as "Grantor"), owns the Trademarks listed on Schedule 1 annexed hereto, and is a party to the Trademark Licenses listed on Schedule 1 annexed hereto;

WHEREAS, Nautic/IPS Merger Corporation, a California corporation ("Mergeco") (to be merged on the Closing Date with and into IPS Corporation, a California corporation ("Company")), Watertite Products, Inc., a California corporation ("Watertite"), Weld-On Adhesives, Inc., a California corporation ("Weld-On"), and together with Mergeco, Company and Watertite, collectively the "Borrowers" and each individually a "Borrower"), the financial institutions party thereto from time to time (together with their respective successors and assigns, "Lenders") and Madison Capital Funding LLC, as Agent for all Lenders (in such capacity, "Agent"), are party to a Credit Agreement dated as of June 30, 2004 (the "Credit Agreement"); and

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement dated as of June 30, 2004 (as said Agreement may be amended and in effect from time to time, the "Collateral Agreement") among the grantors party thereto and Madison Capital Funding LLC, as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity pursuant to the terms of such Collateral Agreement, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties a continuing security interest in or other Lien on substantially all the assets of the Grantor, including all right, title and interest of Grantor in, to and under the Trademark Collateral (as defined below), whether now owned or existing or hereafter acquired or arising, to secure its Secured Obligations (as defined in the Collateral Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee, to secure its Secured Obligations, a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Trademark (as defined in the Collateral Agreement) owned by Grantor, including, without limitation, each Trademark registration and application (other than intent-to-use applications) referred to in Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each such Trademark;

(ii) each Trademark License (as defined in the Collateral Agreement) to which Grantor is a party, including, without limitation, each Trademark License identified in Schedule 1 hereto, and all of the goodwill of the business connected with the use of, or symbolized by, each such Trademark licensed pursuant thereto; and

(iii) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by Grantor against third parties for past, present or future unfair competition with, or violation of intellectual property rights in connection with or injury to, or infringement or dilution of, any Trademark owned by Grantor, including, without limitation, any Trademark referred to in Schedule 1 hereto, and all rights and benefits of Grantor under any Trademark License, including, without limitation, any Trademark License identified in Schedule 1 hereto, or for injury to the goodwill associated with any of the foregoing.

Grantor hereby irrevocably constitutes and appoints the Grantee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of Grantor or in its name, from time to time, in the Grantee's discretion, so long as any Event of Default (as defined in the Credit Agreement) shall have occurred and be continuing, to take with respect to the Trademark Collateral any and all appropriate action which Grantor might take with respect to the Trademark Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Trademark Security Agreement and to accomplish the purposes hereof.

Except to the extent permitted in the Collateral Agreement or the Credit Agreement, Grantor agrees not to sell, license, exchange, assign or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the foregoing Trademark Collateral.

The foregoing security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Collateral Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 30 day of June, 2004.

IPS CORPORATION

By: _____

Name: Wat H. Tyler
Title: Chairman

ACKNOWLEDGED:

**MADISON CAPITAL FUNDING LLC, as
Agent**

By: _____

Name:
Title:

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its officer thereunto duly authorized as of the 30 day of June, 2004.

IPS CORPORATION

By: _____

Name:

Title:

ACKNOWLEDGED:

**MADISON CAPITAL FUNDING LLC, as
Agent**

By: T. J. Clark

Name:

Trevor J. Clark

Title:

Managing Director

[Signature Page to Trademark Security Agreement]

**Schedule 1 to
Trademark Security Agreement**

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| 724 | July 7, 2003 | 76-528,134 |

FOREIGN TRADEMARKS

Chile

| Trademark/Service Mark | Registration No. | Status |
|------------------------|------------------|--|
| WELD-ON | 542.186 | Transfer certificate on hand; valid until July 2009; DMZ will send original certificate to DD on February 25, 2004 |
| 704 | 607.054 | Certificate on hand |
| 725 WET 'R DRY | 607.052 | Certificate on hand |
| 714 | 607.051 | Certificate on hand |
| IPS WELD-ON | 614.973 | Certificate requested from SILVA on February 26, 2004 |
| P-70 | 607.053 | Certificate requested from SILVA on February 26, 2004 |
| 705 | 607.050 | Certificate on hand |
| 717 | 607.792 | Certificate requested from SILVA on February 26, 2004 |

Egypt

| Trademark/Service Mark | Application No. | Status |
|-----------------------------|-----------------|---|
| 700 | 131769 | Rejected (lack of distinctiveness), petition filed September 2003; examination not expected prior to August 2004 |
| 705 | 131770 | Published on May 1, 2003 in OG761; registration accepted September 2003; certificate of registration to be issued by end of May 2004 |
| 717 | 131771 | Published on May 1, 2003, in OG761; registration accepted September 2003; certificate of registration to be issued by end of May 2004 |
| 714 | 131772 | Published on November 12, 2003; registration accepted December 2003; certificate of registration to be issued by end of August 2004 |
| C-65 | 131773 | Published on May 1, 2003, in OG761; registration accepted September 2003; certificate of registration to be issued by end of May 2004 |
| P-70 | 131774 | Has not yet been examined |
| IPS CORPORATION & Design | 133063 | Not yet examined; AGIP expects it to be examined by end of August 2004 |
| WELD-ON | 133064 | Has not yet been examined |

Peru

| Trademark/Service Mark | Application No. | Status |
|------------------------|-----------------|--|
| WELD-ON | 204358 | The registration is expected to occur by July 2004 |

Saudi Arabia

| Trademark/Service Mark | Registration No. |
|------------------------|------------------|
| P-70 | 276/41 |
| 700 | 276/42 |
| 705 | 276/43 |
| 714 | 276/45 |
| 717 | 276/46 |
| WELD-ON & Design | 276/48 |
| IPS WELD-ON & Design | 276/49 |