

11-23-2004



102887711

OCT 29 2004

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

**NOTATION FORM COVER SHEET
TRADEMARKS ONLY**

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

102887711

1. Name of conveying party(ies)/Execution Date(s):

Spa Acquisition Corp.

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

Citizenship (see guidelines) California

Execution Date(s) 10/28/04

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: ORIX Capital Markets, LLC

Internal Address: _____

Address: _____

Street Address: 1717 Main St., 9th Flr.

City: Dallas

State: TX

Country: USA Zip: 75201

Association Citizenship Delaware

General Partnership Citizenship _____

Limited Partnership Citizenship _____

Corporation Citizenship _____

Other LLC Citizenship _____

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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2220236

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

Advanced Spas & Design

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

Name: Rita Aybar-Townsend

Internal Address: 46 Patton Boggs LLP

Street Address: 2001 Ross Ave., Suite 3000

City: Dallas

State: TX Zip: 75201

Phone Number: (214) 758-6632

Fax Number: (214) 758-1550

Email Address: rtownsend@pattonboggs.com

6. Total number of applications and registrations involved:

5

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____ Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature: Rita Townsend

10/28/04

Rita Aybar-Townsend
Signature
Name of Person Signing

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

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

11/22/2004 JHAL/ME 60000012 2220236
01 FC:6521
02 FC:6522

SCHEDULE I
to
TRADEMARK SECURITY AGREEMENT

TRADEMARK REGISTRATIONS

U.S. Federal Trademark Registrations

Trademark/Trade Names	Jurisdiction	Registration No.	Registration Date
Advanced Spas & Design	US	2220236	01/26/99
Gazebo Originals & Design	US	2390748	10/03/00
Harmony Series by L.A. Spas & Design	US	2543101	02/26/02
L.A. Spas & Design	US	1707975	08/18/92

TRADEMARK APPLICATIONS

U.S. Federal Trademark Applications

Trademark/Trade Names	Jurisdiction	Registration No.	Registration Date
Aqua Klean Filtration System	US	76/566461	12/22/03

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of October 28, 2004, is made by SPA ACQUISITION CORP., a California corporation ("Grantor"), in favor of ORIX CAPITAL MARKETS, LLC, a Delaware limited liability company, for itself, as a lender, and as agent for the Lenders (as defined below) (in such capacities, "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of October 28, 2004, by and among Grantor, Agent and the several financial institutions from time to time party thereto (collectively, the "Lenders") (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"), the Lenders have agreed to make the Loans to Grantor;

WHEREAS, in connection with the Credit Agreement and the other Loan Documents, Grantor shall have executed and delivered to Agent, for the benefit of itself and the other Lenders, that certain Security Agreement dated as of the date hereof (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Agent, for the benefit of itself and the other Lenders, this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement. The following terms have the meanings set forth below:

(a) "Trademarks" means all of the following now owned or hereafter existing or adopted or acquired by Grantor: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith (but excluding any application to register any of the foregoing prior to the filing under applicable law of a verified statements of use (or the equivalent) in respect thereof to the extent the creation of a security interest therein or the grant of a mortgage thereon would cause the same to be void or invalid), including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

(b) "Trademark License" means rights under any written agreement now owned or hereafter acquired by Grantor granting any right to use any Trademark.

2. **GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL.** Grantor hereby grants to Agent, on behalf of itself and the Lenders, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses against assignment to which it is a party including those referred to on Schedule I hereto;

(b) all renewals or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

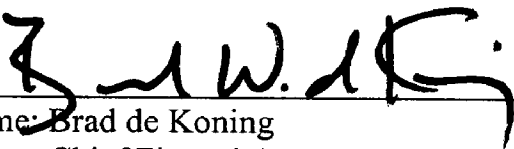
3. **SECURITY AGREEMENT.** The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, for the benefit of itself Agent and the other Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. **SENIOR SUBORDINATION AGREEMENT CONTROLS.** To the extent there is a conflict between the terms, conditions and provisions in this Agreement and the Senior Subordination Agreement, the terms, conditions and provisions of the Senior Subordination Agreement shall control. Any holder of any Note or any party to this Agreement shall be deemed bound by, and subject to, the terms of such Senior Subordination Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

SPA ACQUISITION CORP.

By: 
Name: Brad de Koning
Title: Chief Financial Officer

ACKNOWLEDGMENT OF GRANTOR

STATE OF California)
COUNTY OF Los Angeles) ss.

On this 26 day of October, 2004 before me personally appeared Brad de Koning, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Spa Acquisition Corp., who being by me duly sworn did depose and say that he is an authorized officer of said company, that the said instrument was signed on behalf of said company authorized by its board of directors and that he acknowledged said instrument to be the free act and deed of said company.

Leigh A. Rahn
{seal}Notary Public



Trademark Security Agreement
021433.0100:295996

TRADEMARK
REEL: 003081 FRAME: 0212

ACCEPTED AND ACKNOWLEDGED BY:

ORIX CAPITAL MARKETS, LLC, as Agent

By: *Kenneth E. Moore, Jr.*
Name: *Kenneth E. Moore, Jr.*
Title: *Managing Director*

Trademark Security Agreement
021433.0100:295996

RECORDED: 10/29/2004

TRADEMARK
REEL: 003081 FRAME: 0213