TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
B-DRY LLC		05/29/2007	LIMITED LIABILITY COMPANY: VIRGINIA
B-DRY SYSTEMS, INC.		05/29/2007	CORPORATION: OHIO
TC HOME SOLUTIONS LLC		05/29/2007	LIMITED LIABILITY COMPANY: VIRGINIA

RECEIVING PARTY DATA

Name:	GLADSTONE INVESTMENT CORPORATION
Street Address:	1521 Westbranch Drive
Internal Address:	Suite 200
City:	McLean
State/Country:	VIRGINIA
Postal Code:	22102
Entity Type:	CORPORATION: MARYLAND

PROPERTY NUMBERS Total: 7

Property Type	Number	Word Mark
Registration Number:	1563374	THERMO-FLO
Registration Number:	1560158	THERMO-FLO
Registration Number:	2242983	FREE FLO
Registration Number:	1482831	RIGID SEALER
Registration Number:	1557276	B-DRY SYSTEM
Registration Number:	1505188	B-DRY
Registration Number:	2900170	AQUAJETS

CH $190.00 1563374

CORRESPONDENCE DATA

Fax Number: (650)849-7400

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone:	6508435381
Email:	dsanchezbentz@cooley.com
Correspondent Name:	Diana Sanchez Bentz
Address Line 1:	Cooley Godward Kronish LLP
Address Line 2:	5 Palo Alto Square, 3000 El Camino Real
Address Line 4:	Palo Alto, CALIFORNIA 94306

ATTORNEY DOCKET NUMBER:	304237-169
NAME OF SUBMITTER:	Diana Sanchez Bentz
Signature:	/dsb4232/
Date:	06/07/2007

Total Attachments: 9
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of May 29, 2007 by and among **B-DRY LLC**, a Virginia limited liability company (the "***Parent***"), **B-DRY SYSTEMS, INC.**, an Ohio corporation ("***B-Dry Ohio***"), **TC HOME SOLUTIONS LLC**, a Virginia limited liability company, d/b/a **B-DRY OF GREATER WASHINGTON** ("***B-Dry DC***"; each of Parent, B-Dry Ohio and B-Dry DC referred to herein as a "***Seller***," and collectively, "***Sellers***") and **GLADSTONE INVESTMENT CORPORATION** (the "***Buyer***").

RECITALS

A. The Sellers and the Buyer and other certain parties entered into a certain Investment Agreement of even date herewith (the "***Investment Agreement***") pursuant to which the Buyer has agreed to purchase Notes in the aggregate principal amount of up to $10,800,000 (the "***Notes***") from the Sellers. Capitalized terms used herein are used as defined in the Investment Agreement.

B. As a condition of the purchase and sale, the Buyer requires that each Seller grant to the Buyer a security interest in the Intellectual Property to secure the Obligations.

C. Pursuant to the terms of the Security Agreement, the Sellers have granted to Buyer a security interest in all of Sellers' right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral, including without limitation, the Intellectual Property.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations the Seller hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure the Obligations, each Seller grants and pledges to Buyer a security interest in all of such Seller's right, title and interest in, to and under its Intellectual Property (including without limitation those copyrights, patents and trademarks listed on Exhibits A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements upon the occurrence and during the continuation of an Event of Default, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

The security interests are granted in conjunction with the security interests granted to the Buyer under the Security Agreement. The rights and remedies of the Buyer with respect to the security interests granted hereby are in addition to those set forth in the Security Agreement and the other Investment Documents, and those which are now or hereafter available to the Buyer as a matter of law or equity. Each right, power and remedy of the Buyer provided for herein or in

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the Security Agreement or any of the Investment Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by the Buyer of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Security Agreement or any of the other Investment Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including the Buyer, of any or all other rights, powers or remedies.

The Sellers jointly and severally represent and warrant that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Sellers have registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

Each Seller hereby acknowledges and agrees that the Buyer may, from time to time and without notice to such Seller, amend Exhibits A, B and C hereto to reflect changes in such Seller's right, title and interest in, to and under any Intellectual Property; *provided* that each Seller acknowledges and agrees that the Buyer's failure to so amend such Exhibits shall not limit or impair the Buyer's security interest in any Intellectual Property.

This agreement shall be governed by the laws of the Commonwealth of Virginia, without regard to its principles of conflicts of laws.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the day and year first above written.

SELLERS:

B-DRY LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

TC HOME SOLUTIONS LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

B-DRY SYSTEMS, INC.
an Ohio corporation

By: _____
Name: _____
Title: _____

BUYER:

GLADSTONE INVESTMENT CORPORATION

By: _____
Name: _____
Title: _____

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REEL: 003556 FRAME: 0737

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the day and year first above written.

SELLERS:

B-DRY LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

TC HOME SOLUTIONS LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

B-DRY SYSTEMS, INC.
an Ohio corporation

By: _____
Name: _____
Title: _____

BUYER:

GLADSTONE INVESTMENT CORPORATION

By: _____
Name: _____
Title: _____

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REEL: 003556 FRAME: 0738

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the day and year first above written.

SELLERS:

B-DRY LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

TC HOME SOLUTIONS LLC
a Virginia limited liability company

By: _____
Name: _____
Title: _____

B-DRY SYSTEMS, INC.
an Ohio corporation

By: _____
Name: _____
Title: _____

BUYER:

GLADSTONE INVESTMENT CORPORATION

By: _____
Name: JOHN W. FREAR
Title: MANAGING DIRECTOR

[SIGNATURE PAGE TO INTELLECTUAL PROPERTY SECURITY AGREEMENT]

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EXHIBIT A

COPYRIGHTS

Holder	Description	Registration Number	Registration Date
B-Dry Systems, Inc.	From the Ground Down	TX-41-109	May 18, 1978
B-Dry Systems, Inc.	B-Dry System, Inc. Warranty Text (Updated Warranty Text)	TX-3-045-914	March 14, 1991 January 11, 2000
B-Dry Systems, Inc.	B-Dry System Advertisement	VA 454-599	August 8, 1991
B-Dry Systems, Inc.	B-Dry System Technical Manual	Txu-696-445	October 20, 1995
B-Dry Systems, Inc.	B-Dry System Crawlspace Manual	Txu-727-845	Feb. 19, 1996
B-Dry Systems, Inc.	B-Dry System Sales Presentation Outline	Txu-727-164	Feb. 22, 1996
B-Dry Systems, Inc.	B-Dry System Sales Presentation Manual	Txu-731-179	Feb. 22, 1996
B-Dry Systems, Inc.	B-Dry System ABC's of Closing (Listen, Think, Answer & Close)	Txu-759-842	Feb. 22, 1996
B-Dry Systems, Inc.	B-Dry System ABC'S of Closing Audio Tape (Listen, Think, Answer & Close)	Txu 759-393	April 19, 1996
B-Dry Systems, Inc.	B-Dry Fact Sheet	Tx 4-883-462	March 3, 1998
B-Dry Systems, Inc.	When We Say Dry, We Mean Dry	Tx 5001-481	May 26, 1999
B-Dry Systems, Inc.	The B-Dry Introduction Video Tape	Vau 464-868	January 5, 2000
B-Dry Systems, Inc.	Wet Basement Problems (BD-200) Free-Flo	Txu-954-855	March 3, 2000

Holder	Description	Registration Number	Registration Date
B-Dry Systems, Inc.	BD-200 Fact Sheet Free-Flo	Tx5-197-506	January 14, 2000
B-Dry Systems, Inc.	Free-Flo Presentation Inserts	Txu-941-655	March 3, 2000
B-Dry Systems, Inc.	Operations Field Manual	Txu 928-445	March 3, 2000
B-Dry Systems, Inc.	B-Dry Once and Forever Folder	Tx5-197-507	Feb. 14, 2000
B-Dry Systems, Inc.	B-Dry Referral Card	Tx5-204-342	Feb. 14, 2000
B-Dry Systems, Inc.	Realtor Flyer Two	Txu-941-823	Feb. 14, 2000
B-Dry Systems, Inc.	Realtory Flyer One	Txu-949-587	March 6, 2000
B-Dry Systems, Inc.	Free-Flo Consultation Manual	Txu-928-446	March 6, 2000
B-Dry Systems, Inc.	2001 Media Kiet	Txu 1-013-984	May 31, 2001
B-Dry Systems, Inc.	BD04 Our name Says It All	VA-1-269-042	July 16, 2004
B-Dry Systems, Inc.	Once and Forever Checklist	VA-1-289-341	Sept. 10, 2004
B-Dry Systems, Inc.	Imagine Doorhanger (BD46)	VA-1-297-747	Sept. 10, 2004
B-Dry Systems, Inc.	Imagine Folder (BD137)	VA 1-290-371	Sept. 10, 2004
B-Dry Systems, Inc.	Sorry We Missed You DVD	VA-1-380-253	August 25, 2006
B-Dry Systems, Inc.	B-Dry System Website Update	Pending	January 5, 2007

EXHIBIT B

PATENTS

Holder	Description	Registration/ Application Number	Registration/ Application Date
B-Dry Systems, Inc.	Self-Flushing Pipe	6202700	March 20, 2001
B-Dry Systems, Inc.	Triangular Shaped Pipe for Use in Crawl Spaces	5660008	Aug. 26, 1997
B-Dry Systems, Inc.	Self-Flushing Pipe	6467995	Oct. 22, 2002
B-Dry Systems, Inc.	Drainage Pipe	5765323	June 16, 1998
B-Dry Systems, Inc.	Basement Wall Structure to Prevent Water Leakage	5035095	July 30, 1991

EXHIBIT C

TRADEMARKS

Description	Registration/ Application Number	Registration/ Application Date
Thermo-Flo	1,563,374	Oct. 31, 1989
Thermo-Flo	1,560,158	Oct. 10, 1989
Free-Flo	2,242,983	May 4, 1999
Rigid Sealer	1,482,831	March 29, 1988
B-Dry System	1,557,276	Sept. 19, 1989
B-Dry	1,505,188	Sept. 20, 1988
AquaJets	2,900,170	Nov. 2, 2004