

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Kifco, Inc.		03/19/2008	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	National City Bank
Street Address:	One North Franklin
Internal Address:	20th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60606
Entity Type:	INC. ASSOCIATION: UNITED STATES

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	2984932	KIFCO
Registration Number:	2843074	AG-RAIN
Registration Number:	1234507	WATER-REEL
Serial Number:	77155464	AVI-FOAMGUARD
Serial Number:	77155418	AVI-FOAM

CORRESPONDENCE DATA

Fax Number: (312)782-8585
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 3122694074
 Email: kluchesi@jonesday.com
 Correspondent Name: Kenneth Luchesi
 Address Line 1: 77 W. Wacker Dr.
 Address Line 2: Suite 3500
 Address Line 4: Chicago, ILLINOIS 60601

CH \$140.00 2984932

ATTORNEY DOCKET NUMBER:	497400-121089
NAME OF SUBMITTER:	Kenneth Luchesi
Signature:	/Kenneth Luchesi/
Date:	03/19/2008

Total Attachments: 12

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TRADEMARK AND LICENSE SECURITY AGREEMENT

THIS TRADEMARK AND LICENSE SECURITY AGREEMENT (this "Agreement") dated as of March 19, 2008, is made among IRRIGATION HOLDINGS, INC., a Delaware corporation ("Parent"), KIFCO, INC., a Delaware corporation ("Kifco"; Kifco and Parent collectively, the "Borrowers" and individually, a "Borrower"), and NATIONAL CITY BANK (the "Lender").

WITNESSETH:

WHEREAS, the Borrowers have entered into that certain Loan and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among the Borrowers, and the Lender, pursuant to which the Lender has, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the "Loans") to the Borrowers; and

WHEREAS, the Lender has required as a condition, among others, to the making of the Loans to the Borrowers, in order to secure the prompt and complete payment, observance and performance of all of the Borrowers' obligations and liabilities hereunder, under the Loan Agreement and under all of the other instruments, documents and agreements executed by the Borrowers and delivered to the Lender in connection with the Loan Agreement (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that the Borrowers execute and deliver this Agreement to the Lender;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Borrowers agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, each of the Borrowers hereby grants to the Lender a security interest in, as and by way of a first mortgage and security interest

having priority over all other security interests, with power of sale to the extent permitted pursuant to Sections 11 and 14 below and by applicable law, all of such Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

(i) trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications, including, without limitation, the registered trademarks, service marks and applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) all of such Borrower's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, service marks and applications, together with the items described in clauses (a)-(d) in subsection (i) of this Section 2, being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(ii) the goodwill of such Borrower's business connected with and symbolized by the Trademarks; and

(iii) license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications, whether such Borrower is a licensor or licensee under any such license agreement, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, including, but not limited to, the license agreements listed on Schedule B attached hereto and made a part hereof, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of the Lender's rights under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses").

3. Restrictions on Future Agreements. Neither of the Borrowers will, without the Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement in any material respect, and each of the Borrowers further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to the Lender under this Agreement or the rights associated with those Trademarks or Licenses.

4. New Trademarks and Licenses. Each of the Borrowers represents and warrants that the Trademarks and the Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, tradenames, service marks, registered service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, tradenames, service marks, registered service marks and service mark applications now owned or held by such Borrower, and that no

other liens, claims or security interests have been granted by such Borrower to any other Person in such Trademarks and Licenses. If, prior to the termination of this Agreement, any of the Borrowers shall (i) obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, service marks, registered service marks or service mark applications or license agreements in connection with any trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks or service mark applications, or (ii) become entitled to the benefit of any trademarks, trademark registrations, trademark applications, trade names, service mark, registered service mark or service mark application renewals, the provisions of Section 2 above shall automatically apply thereto and such Borrower shall give to the Lender prompt written notice thereof. Each of the Borrowers hereby authorizes the Lender to modify this Agreement by (i) amending Schedule A or B, as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, service marks, registered service marks, service mark applications and license agreements in connection with any trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications and trade names that are Trademarks or Licenses under Section 2 above or under this Section 4, and (ii) filing, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, trademark registrations, trademark applications, trade names, service marks, registered service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications and trade names which are Trademarks or Licenses under Section 2 above or this Section 4.

5. Royalties. Each of the Borrowers hereby agrees that the use by the Lender of the Trademarks and the Licenses as authorized hereunder shall be coextensive with such Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Lender to such Borrower.

6. Nature and Continuation of the Lender's Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and the Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement and the other Loan Documents have been terminated, at which time this Agreement shall also terminate.

7. Right to Inspect; Further Assignments and Security Interests. The Lender shall have the right, from time to time upon reasonable notice, to inspect the Borrowers' premises and to examine the Borrowers' books, records and operations relating to the Trademarks and the Licenses, including, without limitation, its quality control processes; provided, that in conducting such inspections and examinations, the Lender shall use reasonable efforts not to disturb unnecessarily the conduct of the Borrowers' ordinary business operations. Upon the occurrence and during the continuance of an Event of Default, each of the Borrowers agrees that the Lender or a conservator appointed by the Lender, shall have the right to establish such reasonable additional product quality controls as the Lender or such conservator, in its sole and absolute judgment, may deem necessary to assure maintenance of the quality of products sold by such Borrower under the Trademarks and the Licenses or in connection with which such Trademarks and Licenses are used. Each of the Borrowers agrees (i) not to sell or assign its interest in, or

grant any license under, the Trademarks or the Licenses without the prior and express written consent of the Lender, (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (iii) not to change the quality of such products in any material respect without the prior and express written consent of the Lender, which consent shall not be unreasonably withheld.

8. Duties of the Borrowers. Each of the Borrowers shall have the duty, to the extent desirable in the normal conduct of its business, (i) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) to make application for trademarks and service marks, and (iii) to take reasonable steps to preserve and maintain all of such Borrower's rights in the trademark applications and trademark and service mark registrations that are part of the Trademarks and which are necessary or economically desirable in the operation of such Borrower's business. Any expenses incurred in connection with the foregoing shall be borne jointly and severally by the Borrowers. Each of the Borrowers shall not abandon any material trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which is or shall be necessary or economically desirable in the operation of the Borrowers' business. Each of the Borrowers agrees to retain an experienced trademark attorney reasonably acceptable to the Lender for the filing and prosecution of all such applications and other proceedings. The Lender shall not have any duty with respect to the Trademarks and the Licenses. Without limiting the generality of the foregoing, the Lender shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks and the Licenses against any other parties, but may do so at its option upon the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith shall be for the sole account of the Borrowers and shall be added to the Obligations secured hereby and by the Loan Agreement and the other Loan Documents.

9. The Lender's Right to Sue. Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right, but shall not be obligated, to bring suit to enforce the Trademarks and the Licenses and, if the Lender shall commence any such suit, the Borrowers shall, at the reasonable request of the Lender, do any and all lawful acts and execute any and all proper documents required by the Lender in aid of such enforcement. The Borrowers shall, upon demand, promptly reimburse and indemnify the Lender for all costs and expenses incurred by the Lender in the exercise of its rights under this Section 9 (including, without limitation, all reasonable attorneys' and paralegals' fees). If, for any reason whatsoever, the Lender is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby and by the Loan Agreement and the other Loan Documents.

10. Waivers. No course of dealing between the Borrowers and the Lender, and no failure to exercise or delay in exercising on the part of the Lender any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver of the Lender's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder, under the Loan Agreement or under the other Loan Documents shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. The Lender's Exercise of Rights and Remedies upon Default. Anything set forth herein to the contrary notwithstanding, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, the Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement, the other Loan Documents or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, each of the Borrowers acknowledges and agrees that (i) the Trademarks and the Licenses comprise a portion of the Collateral and the Lender shall have the right, except as otherwise set forth herein, to exercise its rights under the Loan Agreement and the other Loan Documents with respect to the Trademarks and the Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) upon the occurrence and during the continuance of an Event of Default, the Lender or its nominee may use the Trademarks and the Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell the Inventory, or otherwise in connection with the conduct of the Borrowers' business.

12. 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.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by each of the parties hereto.

14. Cumulative Remedies; Power of Attorney. All of the Lender's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Each of the Borrowers hereby irrevocably appoints the Lender as such Borrower's attorney-in-fact, with full authority in the place and stead of such Borrower and in the name of such Borrower or otherwise to carry out the acts described below. Upon the occurrence and during the continuance of an Event of Default and the giving by the Lender of written notice to the Borrowers of the Lender's intention to enforce its rights and claims against the Borrowers, each of the Borrowers hereby authorizes the Lender to, in its commercially reasonable discretion, (i) endorse such Borrower's name on all applications, documents, papers and instruments necessary or desirable for the Lender in the use of the Trademarks and the Licenses, (ii) take any other actions with respect to the Trademarks and the Licenses as the Lender deems is in its best interest, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks and the Licenses to anyone on commercially reasonable terms. The Lender shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 14 without taking like action with respect to the entire goodwill of the Borrowers' business connected with the use of, and symbolized by, such Trademarks and Licenses. Each of the Borrowers hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until

this Agreement shall have been terminated pursuant to Section 6 above. Each of the Borrowers 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 Agreement and the other Loan Documents, but rather is intended to facilitate the exercise of such rights and remedies. The Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located.

15. Binding Effect; Benefits. This Agreement shall be binding upon each of the Borrowers and its respective successors and assigns, and shall inure to the benefit of the Lender and its nominees, successors and assigns. Each of the Borrowers' successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for such Borrower; provided, however, that neither of the Borrowers shall voluntarily assign its respective obligations hereunder without the prior written consent of the Lender.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as distinguished from the conflicts of law provisions) and decisions of the State of Illinois.

17. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

18. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

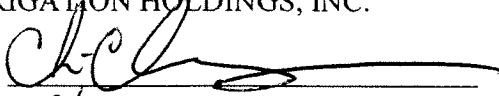
19. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

[Signature Page Follows]


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

BORROWERS:

IRRIGATION HOLDINGS, INC.

By: 
Name: Chris Clevense
Title: CEO

KIFCO, INC.

By: 
Name: Chris Clevense
Title: CEO

Acknowledged and Agreed:

NATIONAL CITY BANK, as the Lender

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

BORROWERS:

IRRIGATION HOLDINGS, INC.

By: _____

Name:

Title:

KIFCO, INC.

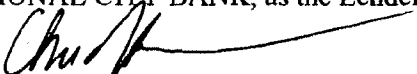
By: _____

Name:

Title:

Acknowledged and Agreed:

NATIONAL CITY BANK, as the Lender

By: 

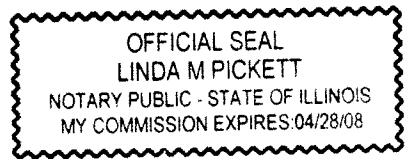
Name: Chris Hermann

Title: Officer

STATE OF ILLINOIS)
) SS:
COUNTY OF Mason)

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 17th day of March, 2008, by Chris Crenger, personally known to me to be the CEO, of Irrigation Holdings, Inc., a Delaware corporation.

(SEAL)

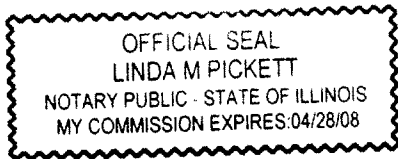


Linda M. Pickett
My Commission expires 4/28/08

STATE OF ILLINOIS)
) SS:
COUNTY OF Mason)

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 17th day of March, 2008, by Chris Clevenger, personally known to me to be the CEO, of Kifco, Inc., a Delaware Corporation.

(SEAL)



Linda M. Pickett
My Commission expires 4/28/08

Schedule A

U.S. Trademarks:

1. U.S. Registration No. 2,984,932 for KIFCO in International Class 011.
2. U.S. Registration No. 2,843,074 for AG-RAIN in International Class 011.
3. U.S. Registration No. 1,234,507 for WATER-REEL in International Class 011.

Pending Trademark Applications:

1. U.S. Serial No. 77/155,464 for AVI-FOAMGUARD in International Class 007.
2. U.S. Serial No. 77/155,418 for AVI-FOAM in International Class 007.

Tradenames:

None

Service Marks:

None

Schedule B

License Agreements:

None