

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Melnor, Inc.		09/26/2008	CORPORATION: DELAWARE

RECEIVING PARTY DATA	
Name:	Bank of America, N.A.
Street Address:	11333 McCormick Road
Internal Address:	Building 2, 7th Floor, MD5-032-07-04
City:	Hunt Valley
State/Country:	MARYLAND
Postal Code:	21031
Entity Type:	National Association:

PROPERTY NUMBERS Total: 14

Property Type	Number	Word Mark
Registration Number:	3170857	DESIGNED FOR AMERICA'S GROWING NEEDS
Registration Number:	3437222	AQUASENTRY
Registration Number:	3437131	GARDENBLOOMS
Registration Number:	2832798	LAWN RESCUE
Registration Number:	1984414	HERITAGE EDITION
Registration Number:	1811348	M BE WATER-WISE
Registration Number:	1795888	REELCART
Registration Number:	1218420	MELNOR
Registration Number:	1138581	AQUA-GUN
Registration Number:	1172328	TIME-A-MATIC
Registration Number:	1216536	TIME-A-MATIC
Registration Number:	1245677	QUICK-FIX
Registration Number:	0618863	MELNOR

OP \$365.00 3170857

Registration Number:

1110055

GENTLE RAIN

CORRESPONDENCE DATA

Fax Number: (215)405-3789

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

Phone: 2159772189

Email: inocella@wolfblock.com

Correspondent Name: Nicole M. Bodoh

Address Line 1: 1650 Arch Street

Address Line 2: 22nd Floor

Address Line 4: Philadelphia, PENNSYLVANIA 19103

ATTORNEY DOCKET NUMBER:

LAS023-253524

NAME OF SUBMITTER:

Nicole M. Bodoh

Signature:

/nicolembodoh/

Date:

10/02/2008

Total Attachments: 12

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "**Security Agreement**") made as of this 26th day of September, 2008, by MELNOR INC., a Delaware corporation ("**Borrower**") in favor of **BANK OF AMERICA, N.A.**, with an office at Bank of America, Business Finance Division, Building 2, 7th Floor, MD5-032-07-04, 11333 McCormick Rd., Hunt Valley, MD 21031, attention: Vickie Tillman ("**Lender**");

WITNESSETH

WHEREAS, Borrower and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "**Loan Agreement**") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "**Financing Agreements**"), which Financing Agreements provide (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in certain of Borrower's assets, including, without limitation, its trademarks and trademark applications;

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

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower hereby grants to Lender, and hereby reaffirms its grant pursuant to the Financing Agreements of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**"); all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to Lender that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Except with respect to the Dead Trademarks (as hereafter defined), Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens (except for those liens listed on Schedule B attached hereto) charges and encumbrances, including without limitation, shop rights and covenants by Borrower not to sue third persons;

(iii) All indebtedness of Borrower secured by the liens listed on Schedule B has been finally paid in full and such liens shall be terminated in accordance with that certain post-closing letter agreement between Borrower and Lender dated of even date herewith;

(iv) Borrower has no notice of any suits or actions commenced or threatened with reference to any Trademark;

(v) Borrower has the unqualified right to execute and deliver this Security Agreement and perform its terms; and

(vi) based on a diligent investigation by Borrower, the Trademarks listed on Schedule C attached hereto constitute all of the Trademarks of Borrower whose registration has lapsed or was not obtained by Borrower following application with the United States Patent and Trademark Office (the "**Dead Trademarks**"). Borrower has not used the Dead Trademarks during the ten year period immediately preceding the date hereof and Borrower has no intention to use the Dead Trademarks at any time following the date hereof. However, if Borrower does use the Dead Trademarks following the date hereof, Borrower shall provide Lender notice of such use and take all action necessary for Lender to perfect and maintain a first priority security interest in the Dead Trademarks.

4. Restrictions on Future Agreements. Borrower agrees that until Borrower's Liabilities shall have been satisfied in full and the Financing Agreements shall have been terminated, Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before Borrower's Liabilities shall have been satisfied in full or before the Financing Agreements have been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Lender prompt written notice thereof. Borrower hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of Borrower's Liabilities and the termination of the Financing Agreements. Borrower agrees that upon the occurrence of an Event of Default, the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Borrower.

7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence of an Event of Default, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of Borrower's Liabilities and termination of the Financing Agreements, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Financing Agreements

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Borrower and until paid shall constitute Liabilities.

10. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable. Any expenses incurred in connection with Borrower's Liabilities under this Section 10 shall be borne by Borrower.

11. Lender's Right to Sue. After an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Financing Agreements 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.

13. Severability. The provisions of this Security 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 Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Lender upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Borrower's Liabilities shall have been paid in full and the Financing Agreements have been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

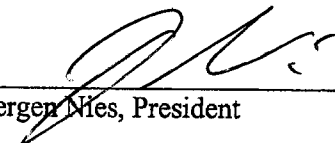
19. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement as of the date first written above.

MELNOR INC.

By:  _____
Juergen Nies, President

Agreed and Accepted
As of the Date First Written Above

BANK OF AMERICA, N.A.

By: _____

Name/Title: _____

[Signature Page to Trademark Security Agreement]

STATE OF Virginia :

COUNTY OF Winchester :
SS.

On this, the 26th day of September, 2008, before me, a notary public, the undersigned officer, personally appeared Juergen Nies, who acknowledged himself to be the President of MELNOR INC., a Delaware corporation, and that he as such officer of such corporation, being authorized to do so executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Bolin L. Stucklus
Notary Public
My commission expires Jan 31, 2009
Registration NO 230537

[Notary Panel to Trademark Security Agreement]

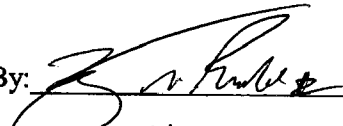
IN WITNESS WHEREOF, Borrower has duly executed this Security Agreement as of the date first written above.

MELNOR INC.

By: _____
Juergen Nies, President

Agreed and Accepted
As of the Date First Written Above

BANK OF AMERICA, N.A.

By:  _____

Name/Title: Herbert M. Kidd # / SVP

[Signature Page to Trademark Security Agreement]

SCHEDULE A

TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>
Designed for America's Growing Needs	78640574 / 3170857
Aquasentry	77132182 / 3437222
Gardenblooms	77096688 / 3437131
Lawn Rescue	76435678 / 2832798
Heritage Edition	74409816 / 1984414
M Be Water-wise	74205509 / 1811348
Reelcart	74192569 / 1795888
Melnor	73324859 / 1218420
Aqua-Gun	73192749 / 1138581
Time-A-Matic	73265546 / 1172328
Time-A-Matic	73329791 / 1216536
Quick-Fix	73249450 / 1245677
Melnor	71668267 / 0618863
GentleRain	73160801 / 1110055

TRADEMARK APPLICATIONS

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
None		

SCHEDULE B

LIENS

Barclay's Business Credit recorded on June 7, 1994 at Reel 1162, Frame 0261.

Heller Financial, Inc., recorded on October 11, 1991 at Reel 822, Frame 0525.

Heller Financial, Inc., recorded on December 19, 1988 at Reel 653, Frame 0410.

SCHEDULE C
DEAD TRADEMARKS

<u>Trademark Description</u>	<u>U.S. Serial/Registration No.</u>
Watercolours	78290331 / NA
Aqualight	78640531 / NA
Reelswinger	78058708 / NA
Reelwheel	78058707 / NA
Raincheck	77132141 / NA
Aqua Timer	75443942 / NA
Everain	75211772 / 2170894
Graphite	75123067 / NA
Contractor	75123065 / NA
Northern Horizons	75074050 / 2115214
Northern Passages	75074049 / 2117381
Workhorse	75074047 / 2115213
Northern Wilderness	75074043 / 2115212
Regency	74573840 / 2000323
Hose Manager	74409814 / 1944492
For Your Growing Needs	74409813 / 1890558
No Tools Required	74328298 / NA
NA	74328297 / NA
Infiniti	74205444 / NA
Reelwheel	74314016 / 1839030

Reelswinger	74313014 / 1839029
Snap-It	74192568 / 1814439
Hoseminder	74162634 / 1703319
Reelmount	74154986 / 1720313
Point 'N Spray	74109728 / 1757549
Artec	74070552 / NA
Reel Barrow	74046272 / 1704200
Reel Tote	74046271 / 1690812
Spray Guard	73711463 / 1551973
Spray Guard	73683582 / 1489379
Aqua-Gauge	73574597 / 1404089
Jet Stream	72243463 / 0821462
Rain-Wave	72237989 / 0821451
M	72219748 / 0812846
Floating Fulcrum	72215879 / 0819656
M	72192923 / 0783598
Roll 'N Reel	72123908 / 0735184
Wave-Master	72065968 / 0683896
Superain	72065967 / 0683895
Melnor's Aqua-Gun	72000349 / 0638670
Everain	71684451 / 0618093

Swingin Spray	71668266 / 0627619
Aqua-Queen	73192980 / 1129204
Cold Steam	72022399 / 0651745
Mansion	73158364 / 1105574
Melnor	73075776 / 1049999
M Melnor	73185271 / 1126995
Rancher	73156199 / 1130684
Spray Safe	73180649 / 1120890
Squeeze 'N Water	73145490 / 1108702
Suburban	73160802 / 1105577