

Continuation Item 4

**Schedule 1 to
Patent Security Agreement**

UNITED STATES PATENT REGISTRATIONS

Owner	Application No.	Filing Date	Title
1 Watertite Products, Inc.	US 6,234,198 B1 U.S. Ser. No. 09/558,847	Filed: April 27, 2000 Issued: May 22, 2001	Air Vent Valve
2 Watertite Products, Inc.	US D 420,892	Filed: June 15, 1999 Issued: February 22, 2000	Mobile Home Shim
3 Watertite Products, Inc.	US D 421,894	Filed: June 15, 1999 Issued: March 28, 2000	Stabilizing Device
4 Watertite Products, Inc.	US 6,230,446 B1 U.S. Ser. No. 09/565,030	Filed: May 5, 2000 Issued: May 15, 2001	Frangible Wedge Shim For Construction
5 Watertite Products, Inc.	US 6,370,827 B2 U.S. Ser. No. 09/459,043	Filed: December 10, 1999 Issued: April 16, 2002	Ground Anchor Rod Stabilizer

PATENT LICENSE

Licensee	Licensed To	Subject Matter	Effective Date
Dan Chalich	Watertite Products, Inc.	Patent and Trademark Assignment Agreement	July 1, 2002

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PATENT SECURITY AGREEMENT

(PATENTS, PATENT APPLICATIONS AND PATENT LICENSES)

WHEREAS, Watertite Products, Inc., a California corporation (herein referred to as "Grantor"), owns the Patents listed on Schedule 1 annexed hereto, and is a party to the Patent 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 Patent 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 "Patent Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Patent (as defined in the Collateral Agreement) owned by Grantor, including, without limitation, each Patent and Patent application referred to in Schedule 1 hereto;

(ii) each Patent License (as defined in the Collateral Agreement) to which Grantor is a party, including, without limitation, each Patent License identified in Schedule 1 hereto; 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 infringement of any Patent, including, without limitation, any Patent referred to in Schedule 1 hereto, and all rights and benefits of Grantor under any

Patent License, including, without limitation, any Patent License identified in Schedule 1 hereto.

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 Patent Collateral any and all appropriate action which Grantor might take with respect to the Patent Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Patent 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 Patent 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 Patent 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 Patent Security Agreement to be duly executed by its officer thereunto duly authorized as of the 3rd day of June, 2004.

WATERTITE PRODUCTS, INC.

By: 
Name: Wat H. Tyler
Title: Vice President

ACKNOWLEDGED:

**MADISON CAPITAL FUNDING LLC, as
Agent**

By: _____
Name:
Title:

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

WATERTITE PRODUCTS, INC.

By: _____

Name:

Title:

ACKNOWLEDGED:

**MADISON CAPITAL FUNDING LLC, as
Agent**

By: T. J. Clark

Name:

Title:

Trevor J Clark
Managing Director

[Signature Page to Patent Security Agreement]

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