

FORM PTO-1595

RECORDATION FORM COVER SHEET

U.S. DEPARTMENT OF COMMERCE

1/31/92

TRADEMARKS ONLY

Patent and Trademark Office

To the Director of Patents and Trademarks: Please Record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Flexi-Mat Corporation

Entity: Illinois Corporation

Additional name(s) of conveying party(ies) attached?

Yes  No

3. Nature of conveyance:

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

Execution Date January 31, 2005

2. Name and address of receiving party(ies):

Name: JPMorgan Chase Bank, N.A.

Internal Address: \_\_\_\_\_

120 South LaSalle Street

Chicago, IL 60603

Entity: National Association

Additional Name(s) & Address(es) attached  Yes  No

4. Application or registration number(s):

A. Trademark Application No.(s)  
78/139,311

B. Trademark Registration No. (s)  
2,526,921; 2,603,193; 2,830,789

Additional numbers attached?  Yes  No

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

Please send the recorded assignment back by fax to 312-258-5600 to the attention of:

**SCHIFF HARDIN LLP**  
**Chris Bollinger, Attorney**  
P.O. Box 06079  
Chicago, IL 60606-0079  
Telephone: (312) 258-5500  
Customer Number: 06984-0034

6. Total number of applications and patents involved

4

7. Total Fee (37 CFR 3.41)

**\$115.00**

Authorization is given to charge the deposit account for the above fee and any additional fees required or to credit any overpayment.

8. Deposit Account Number:

19-0409

(Attach duplicate copy of this page if paying by deposit account)


DO NOT USE THIS SPACE

9. Statement and signature:

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Chris Bollinger

Name of Person Signing

  
Signature

3/16/05  
Date

Total number of pages including cover sheet and attached documents 8:

Mail documents to be recorded and required cover sheet information to:

By Fax: 703/306-5995  
Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231

CH \$115.00 190409 78139311

## PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of January 31, 2005, is made by Flexi-Mat Corporation, an Illinois corporation (the "Grantor"), in favor of JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA) (the "Lender").

### RECITALS

WHEREAS, the Grantor and Flexi-Mat Holding, Inc., a Delaware corporation (the "Parent"), have entered into a Credit Agreement dated as of June 4, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with the Lender, pursuant to which the Lender has agreed to make certain loans to the Grantor;

WHEREAS, the Grantor and the Parent have entered into a Pledge and Security Agreement dated as of June 4, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") with the Lender pursuant to which certain obligations owed to the Lender are secured;

WHEREAS, pursuant to the terms of the Security Agreement, the Grantor has granted to the Lender a security interest in substantially all the assets of the Grantor, including all right, title and interest of the Grantor in, to and under all now owned and hereafter acquired patents, patent applications, patent licenses, trademarks, trademark applications and trademark licenses, and all products and proceeds thereof and goodwill associated therewith, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement);

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and in the Credit Agreement, the Grantor does hereby grant to the Lender a continuing security interest in all of the Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired:

- (1) each trademark registration and trademark application for registration, including, without limitation, each trademark registration and trademark application for registration referred to in Schedule 1 annexed hereto, together with any renewals or extensions thereof, and all goodwill associated therewith;
- (2) each trademark license granting to Grantor any rights in trademarks to which Grantor is a party, including, without limitation, each trademark license listed on Schedule 1 annexed hereto;
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any trademark or license thereof, (items 1 through 3 being herein collectively referred to as the "Trademark Collateral");

- (4) each patent and patent application, including, without limitation, each patent and patent application referred to in Schedule 2 annexed hereto, together with any reissues, continuations or extensions thereof;
- (5) each patent license granting to Grantor any rights in patents to which a Grantor is a party, including, without limitation, each patent license listed on Schedule 2 annexed hereto;
- (6) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against third parties for past, present or future infringement of any patent or license thereof (items 4 through 6 being herein collectively referred to as the "Patent Collateral").

This security interest is granted in conjunction with the security interests granted to the Lender pursuant to the Security Agreement and subject to limitations set forth therein. Each of the Grantor and the Lender hereby acknowledges and affirms that the rights and remedies of the Lender with respect to the security interest in the Trademark Collateral and the Patent Collateral made and granted hereby are more fully set forth in the Credit Agreement and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Security Agreement.

[signature page follows]

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

**FLEXI-MAT CORPORATION**

By: *[Signature]*  
Title: V.P.

Acknowledged and agreed to:

**JPMORGAN CHASE BANK, N.A.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

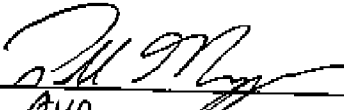
IN WITNESS WHEREOF, the Grantor has caused this Patent and Trademark Security Agreement to be duly executed by its duly authorized officer thereunto as of the date first set forth above.

**FLEXI-MAT CORPORATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

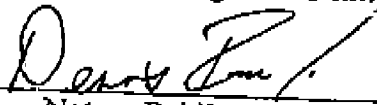
Acknowledged and agreed to:

**JPMORGAN CHASE BANK, N.A.**

By:   
Title: AVD

STATE OF ILLINOIS )  
 ) ss  
COUNTY OF WILL )

On this 3 day of January, 2005, before me personally appeared the person whose signature is set forth above, to me known, who, being duly sworn, did depose and say that he is the above-indicated officer of the Grantor, and which executed the above instrument; and that he signed his name thereto by authority of the board of directors or similar governing of said entity.

  
\_\_\_\_\_  
Notary Public



209779/0001/723766/Version  
#:1

**SCHEDULE 1**  
to  
**PATENT AND TRADEMARK SECURITY AGREEMENT**

**Trademarks, Trademark Applications and Trademark Licenses**

<b>Property</b>	<b>Status</b>	<b>Date Registered, Filed, Issued, Executed</b>	<b>Registration, Patent (Serial) #</b>
PetPocket®	Registered	1/8/2002	2,526,921
PetCap®	Registered	7/30/2002	2,603,193
Pet Stow-Away®	Registered	4/30/2004	2,830,789
Pet Wheel-Away™	Filed	(6/27/2002)	(78/139/311)

**SCHEDULE 2**  
to  
PATENT AND TRADEMARK SECURITY AGREEMENT

**Patents, Patent Applications and Patent Licenses**

<b>Patent Number</b>	<b>Patent Application Number</b>	<b>Date Patent Issued</b>	<b>Date of Patent Application</b>
6,481,606 B2	740551	November 19, 2002	December 20, 2000

CH2\1197479.1