

04-06-2000

MKD
2-29-00

FEB 29 PM 12:42



101307866

OPR/FINANCE RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year _____
- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
02242000

Name HAWCO MANUFACTURING CO., L.L.C.

Formerly _____

- Individual General Partnership Limited Partnership Corporation Association
- Other a limited liability company of Louisiana
- Citizenship/State of Incorporation/Organization _____

Receiving Party

Mark if additional names of receiving parties attached

Name LASALLE BANK NATIONAL ASSOCIATION

DBA/AKA/TA _____

Composed of _____

Address (line 1) 135 South LaSalle Street

Address (line 2) Attn: Michael J. Vrchota

Address (line 3) Chicago IL 60603
City State/Country Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other a national banking association
- Citizenship/State of Incorporation/Organization _____

04/06/2000 BNGUYEN 00000012 75824056

FOR OFFICE USE ONLY

01 FC:481

40:00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practices. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 002044 FRAME: 0426

Domestic Representative Name and Address Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached
Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75824050"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

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. Charges to deposit account are authorized, as indicated herein.

Carol L. Barnes
Name of Person Signing Signature Date Signed

Schedule A

Registered Trademarks

NONE

Use-Based Applications

<u>Owner</u>	<u>Mark</u>	<u>Application Number</u>	<u>Date of Application</u>
Hawco Manufacturing, Co., L.L.C.	Hawco in script letters inclosed in a circle	75/824050	October 15, 1999

Schedule B

Intent to Use Applications

NONE

TRADEMARK
REEL: 002044 FRAME: 0427

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement") is dated as of February 24, 2000 by and among DIEFENTHAL INVESTMENTS, L.L.C., a Louisiana limited liability company, HAWCO MANUFACTURING CO., L.L.C., a Louisiana limited liability company, LOUISIANA CHEMICAL EQUIPMENT CO., L.L.C., a Louisiana limited liability company, PET PROCESSORS, L.L.C., a Louisiana limited liability company, PREMIUM VALVE SERVICES, L.L.C., a Louisiana limited liability company, P.E.T. PROCESSORS OF TEXAS, L.L.C., a Texas limited liability company (said limited liability companies being, collectively, the "Borrowers") and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (the "Bank").

RECITALS

WHEREAS, the Borrowers and the Bank have entered into that certain Secured Credit Agreement of even date herewith (as hereafter amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Bank has agreed to make Revolving Loans and a Term Loan to the Borrowers and to issue certain letters of credit for the benefit of the Borrowers, subject in each case to the terms and conditions of the Credit Agreement; and

WHEREAS, to secure the repayment of all amounts under the Credit Agreement and the Related Documents, the Borrowers have granted to the Bank a valid security interest in and to all of its now existing and hereafter acquired general intangibles, including, without limitation, all of its now existing and hereafter arising trade secrets, patents and patent applications, trademarks and use-based trademark applications, trade names and copyrights.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Bank to make the Revolving Loans and the Term Loan and to issue letters of credit, the parties hereto agree as follows:

1. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.
2. Grant of Security Interest. To secure the payment and performance of all indebtedness and other obligations and liabilities of the Borrowers to the Bank of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising under or in connection with the Credit Agreement and the Related Documents, each of the Borrowers hereby grants to the Bank a security interest

**TRADEMARK
REEL: 002044 FRAME: 0428**

in all of its rights, titles and interests in the United States and throughout the world, in and to (a) all of its currently owned or hereafter acquired trademarks, registrations of trademarks and use-based applications for trademark registration pending before the United States Patent and Trademark Office ("PTO"), together with the goodwill of the business symbolized by such trademarks, including, without limitation, those United States trademark registrations and use-based applications for trademark registrations listed on **Schedule A** attached hereto and made a part hereof, (b) all currently owned or hereafter acquired trademarks, registration of trademarks and use based applications for trademark registration pending before the trademark offices of foreign countries, (c) all income, royalties, damages and payments now and hereafter due and/or payable under or based on such trademarks, and (d) all rights to sue, collect and retain damages and payments for past and future infringements and violation of the rights thereof (such trademarks, registrations of trademarks and use-based applications for trademark registrations set forth at (a) and (b) of this paragraph being herein the "**Trademarks**"). The marks listed in **Schedule B** are marks that are the subject of pending intent-to-use applications (each an "**ITU Application**" and collectively the "**ITU Applications**"). At such time, if any, that any Borrower begins making use in interstate commerce of any such mark, (1) such Borrower shall convert the applicable ITU Application to a use-based application by filing an Amendment to Allege Use or Statement of Use with the PTO and providing notice of such filing to the Bank, and (2) upon notice from the PTO of the acceptance of such Amendment to Allege Use or Statement of Use, such mark and corresponding use-based application shall automatically become one of the Trademarks and fully subject to the security interest of the Bank hereunder.

3. **Representations and Warranties.** The Borrowers represent and warrant that:

(a) Each Borrower identified in **Schedule A** hereto as the owner of or the applicant for a Trademark (a "**Trademark Owner**") is the present owner of the entire right, title and interest in and to its Trademarks and, to the best of the Borrowers' knowledge, such Trademark Owner has good and indefeasible title thereto.

(b) The Trademarks of each Trademark Owner are free and clear of all security interests, liens and encumbrances, except Permitted Liens.

(c) No Trademark Owner has granted any licenses, rights or privileges in or to its Trademarks to any party except the Bank.

(d) To the best of the Borrowers' knowledge, each Trademark Owner may use its Trademarks that are the subject of registrations described in **Schedule A** free and clear of the infringement of the rights of others.

(e) No Trademark Owner has commenced or has threatened to commence against any Person, and there is not pending, any suit or other

proceeding seeking to enforce or alleging a violation of any Trademark or any of the Trademark Owner's rights therein.

(f) No Person has commenced or, to the best of the Borrowers' knowledge, has threatened to commence any suit or other proceeding alleging that any of the Trademarks listed in Schedule A or Schedule B is unenforceable or violates any right or interest of such Person.

(g) The Trademarks on Schedule A constitute all of the registrations and applications for the Trademarks in the United States and foreign countries owned by the Borrowers.

(h) The Borrowers have not and will not make any agreement or assignment in conflict with this Agreement.

(i) The trademark applications set forth in Schedule A have been duly and properly filed, the trademark registrations, if any, set forth in said Schedule have been issued, and the Trademarks shown as having been registered or for which applications for registration have been filed are valid and enforceable.

4. Maintenance and Enforcement of Trademarks. No Borrower shall take any action, or permit any action to be taken by others subject to the Borrower's control, including licensees, or fail to take any action regarding any matter of which the Borrower has knowledge, which would affect the validity and enforcement of any of the Trademarks, or impair the value of any of the Trademarks or the goodwill of the business associated therewith, except that a Trademark Owner may discontinue or abandon the use of any of the Trademarks and any applications and registrations therefor if it determines that, in its reasonable business judgment, such discontinuance or abandonment is desirable or necessary. Subject to the other provisions of this Agreement, each Trademark Owner shall assume and continue, at its own cost and expense, through counsel of its own choice and acceptable to the Bank, full and complete responsibility for the prosecution, issuance, enforcement, maintenance, renewal or any other actions in connection with its Trademarks.

5. Notice of Proceedings. The Borrowers promptly shall notify the Bank, in writing, of any suit, action or proceeding which relates to, is concerned with or affects any of the Trademarks or alleges infringement of another trademark by any of the Trademarks, if in either case an adverse decision could reasonably be expected to have a material adverse effect on any of the Trademarks or on the Trademark Owner's rights therein, and the Borrowers shall, on written request of the Bank, deliver to the Bank a copy of all pleadings, papers, orders and decrees heretofore and hereafter filed in any such suit, action or proceeding, and shall keep the Bank fully advised in writing of the progress of any such suit or proceeding.

6. New Applications and Registrations. Not less frequently than semi-annually, the Borrowers shall provide the Bank with a listing of all new applications for trademarks and of newly issued registrations for which application was made previously, each of which new applications and registrations shall be subject to the terms and conditions of the Credit Agreement and this Agreement, and in the case of a use-based application or registration, shall come within the term "Trademarks" as set forth herein. Each new ITU Application shall come within the term "Trademarks" when the conditions for ITU Applications set forth in Paragraph 2 above are met. In addition, the Borrowers shall provide the Bank, on request, such documents and instruments, each in a form acceptable to counsel for the Bank, as may be necessary to grant to the Bank, and to perfect, a valid enforceable security interest in such new applications and registrations.

7. Documents Relating to Trademarks. (a) Upon written request by the Bank, the Borrowers shall deliver to the Bank copies of any trademark applications and other documents concerned with or related to the adoption, use, prosecution, protection, maintenance, renewal, enforcement or issuance of the Trademarks.

(b) Each Borrower agrees to provide the Bank with supplemental documentation necessary to record and perfect this Agreement with the relevant offices in the countries in which the Borrower has Trademarks as set forth in Schedules A and B.

8. Conduct of Business to Protect Goodwill. In order to protect and continue the goodwill of the business associated with and symbolized by the Trademarks, and to avoid deception to the public as to the nature and quality of the goods on which the Trademarks are employed by any Trademark Owner, each Trademark Owner shall conduct its business in accordance with the requirements of production, quality and service of the goods in the market as in the past, and shall at all times use its best efforts to maintain the quality of the goods sold or distributed on which the Trademarks are employed commensurate with at least the same or better quality and past practices of the Trademark Owner.

9. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) if any Borrower fails to perform, keep or observe any term, provision, condition or covenant contained in this Agreement which the Borrower is required to be performed, kept or observed and such failure is not cured within 30 days after written notice thereof from the Bank to the Borrower;

(b) if any representation or warranty made by any Borrower herein is breached or is false or misleading in any material respect; or


(c) the occurrence of an "Event of Default" under the Credit Agreement.

10. Remedies. After the occurrence of and during the continuance of an Event of Default, the Bank shall have all of the rights, remedies and benefits of a secured party under applicable law, including without limitation, all of the rights, remedies and benefits of a secured party under the Uniform Commercial Code, whether or not the Uniform Commercial Code is applicable, and, in addition, the Bank may grant licenses, rights or other privileges in, or otherwise take whatever action with respect to, the Trademarks that the Bank deems necessary or appropriate under the circumstances. Each Borrower hereby appoints and designates the Bank as its attorney to take, during the continuance of an Event of Default, in the name of either the Borrower or the Bank, such action as the Bank, in its sole discretion, deems necessary or appropriate under the circumstances to protect the Trademarks and the security interest of the Bank therein, but the Bank shall not be required to take any such action.

11. Fees and Expenses. The Borrowers, jointly and severally, agree to pay on demand any and all costs, charges, fees and other expenses incurred by the Bank in connection with this Agreement and the enforcement thereof including, without limitation, the fees and expenses of counsel employed by the Bank (i) with respect to the amendment or enforcement of this Agreement or with respect to the any of the Trademarks, (ii) to represent the Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by the Bank, any Borrower or any other Person) in any way or respect relating to this Agreement or any of the Trademarks or (iii) to enforce any of the Bank's rights hereunder including, without limitation, any action to protect, collect, sell, liquidate or otherwise dispose of any of the Trademarks.

12. Governing Law; Jury Trial; Severability. This Agreement shall be a contract made under and governed by the laws of the State of Illinois, without regard to conflict of laws principles. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Borrowers and rights of the Bank shall be in addition to and not in limitation of those provided by applicable law.

THE BORROWERS AND THE BANK HEREBY IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE BORROWERS IRREVOCABLY AGREE THAT, SUBJECT TO THE BANK'S SOLE AND ABSOLUTE ELECTION, ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF THIS AGREEMENT, OR ARISING FROM ANY DISPUTE OR CONTROVERSY ARISING IN CONNECTION WITH OR RELATED TO THIS



AGREEMENT, SHALL BE LITIGATED ONLY IN THE COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, THE STATE OF ILLINOIS, AND EACH OF THE BORROWERS HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SUCH CITY AND STATE. EACH OF THE BORROWERS HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST THE BORROWERS BY THE BANK IN ACCORDANCE WITH THIS SECTION.

13. Notices. All notices and other communications hereunder shall be sent in the manner and to the persons set forth in Section 12.2 of the Credit Agreement and when so sent, shall be deemed given at the times provided in said Section.

14. Release of Security Interest. Upon payment in full of all Loans and other obligations of the Borrowers arising under or in connection with the Credit Agreement and the Related Documents and the termination of the Revolving Credit Commitment thereunder, the Bank agrees to release and take such further action as may be necessary or advisable to evidence such release and termination of its security interest set forth herein.

[END OF PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIEFENTHAL INVESTMENTS, L.L.C.,
a Louisiana limited liability company

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

HAWCO MANUFACTURING CO., L.L.C.
a Louisiana limited liability company

By: Diefenthal Investments, L.L.C.,
its sole member

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

PET PROCESSORS, L.L.C.,
a Louisiana limited liability company

By: Diefenthal Investments, L.L.C.,
its sole member

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

LOUISIANA CHEMICAL EQUIPMENT
CO., L.L.C., a Louisiana limited
liability company

By: Diefenthal Investments, L.L.C.,
its sole member

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

P.E.T. PROCESSORS OF TEXAS, L.L.C.
a Texas limited liability company

By: Diefenthal Investments, L.L.C.,
its sole member

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

PREMIUM VALVE SERVICES, L.L.C.,
a Louisiana limited liability company

By: Diefenthal Investments, L.L.C.,
its sole member

By: Southern Holdings, Inc.,
its sole member

By: James R. Diefenthal
James R. Diefenthal, President

LASALLE BANK NATIONAL ASSOCIATION

By: M. J. [Signature]
Assistant Vice President

RECORDED: 02/29/2000

TRADEMARK
REEL: 002044 FRAME: 0434