

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
Vernay Laboratories, Inc.		02/11/2013	CORPORATION: OHIO
RECEIVING PARTY DATA			
Name:	RBS Citizens, N.A.		
Street Address:	1215 Superior Avenue East		
City:	Cleveland		
State/Country:	OHIO		
Postal Code:	44114		
Entity Type:	national banking association: UNITED STATES		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Registration Number:	0775724	V-BALL	
Registration Number:	1743145	VERNAFLO	
Registration Number:	1599603	VERNAY	
Registration Number:	1333280	VERNAY SUPRAVALVE	
Registration Number:	1414228	V-SEAT	
Registration Number:	0766197	V-TIP	
CORRESPONDENCE DATA			
Fax Number:	5133810205		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	513-381-2838		
Email:	bayliss@taftlaw.com		
Correspondent Name:	Linda D. Bayliss paralegal		
Address Line 1:	425 Walnut Street		
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Address Line 4:	Cincinnati, OHIO 45202		

CH \$165.00 0775724

ATTORNEY DOCKET NUMBER:	RBS06 GN003
NAME OF SUBMITTER:	Linda D. Bayliss, paralegal
Signature:	/Linda D Bayliss paralegal/
Date:	02/21/2013
Total Attachments: 9 source=RBS Security Agreement#page1.tif source=RBS Security Agreement#page2.tif source=RBS Security Agreement#page3.tif source=RBS Security Agreement#page4.tif source=RBS Security Agreement#page5.tif source=RBS Security Agreement#page6.tif source=RBS Security Agreement#page7.tif source=RBS Security Agreement#page8.tif source=RBS Security Agreement#page9.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (as amended, restated, supplemented, renewed, or otherwise modified from time to time, this "Intellectual Property Security Agreement") is made and entered into effective as of the 11th day of February, 2013 by Vernay Laboratories, Inc., an Ohio corporation, with its chief executive office located at 2077 Convention Center Concourse, Atlanta, Georgia 30337 ("Grantor"), in favor of RBS Citizens, N.A., a national banking association, with an address of 1215 Superior Avenue East, Cleveland, Ohio 44114 ("Lender"). Capitalized terms used in this Intellectual Property Security Agreement and not otherwise defined shall have the respective meanings ascribed to such terms in the Loan and Security Agreement of even date to which Grantor and Lender are parties (as amended, restated, supplemented, renewed, or otherwise modified from time to time, the "Loan Agreement").

RECITALS

WHEREAS, pursuant to the Loan Agreement, Lender has agreed, subject to the terms and conditions set forth therein, to provide certain financial accommodations to Grantor (collectively, the "Loans"); and

WHEREAS, it is a condition precedent to the obligation of Lender to execute and perform under the Loan Agreement that Grantor shall have executed and delivered this Intellectual Property Security Agreement to Lender;

NOW THEREFORE, in consideration of the willingness of Lender to enter into the Loan Agreement and to agree, subject to the terms and conditions set forth therein, to make the Loans to Grantor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Grant of Security Interest. To secure Grantor's prompt, punctual, and faithful performance of all and each of the Obligations, Grantor grants to Lender a continuing first priority security interest in all of the right, title, and interest of Grantor in and to any and all of the following collateral, whether now owned or hereafter acquired (the "Intellectual Property Collateral"):

(a) all of the right, title, and interest of Grantor in and to all present and future copyrights, copyright registrations, and copyright applications (including, without limitation, all present copyrights, copyright registrations, and copyright applications of Grantor, which are listed on Schedule A, attached hereto and made a part of this Intellectual Property Security Agreement) and (i) all renewals and extensions thereof, (ii) all income, royalties, damages, and other rights to payment now or in the future due and/or payable in connection therewith, including, without limitation, damages and payment for past or future infringements thereof, (iii) all right, title, and interest in and to any and all present and future license agreements with respect thereto, including, without limitation, the rights to income or royalties from such licenses, (iv) the right to sue and recover for past, present, and future infringements thereof, (v) all other rights accruing

under or pertaining thereto throughout the world, and (vi) all proceeds of any kind arising from any and all of the foregoing (collectively, the "Copyrights");

(b) all of the right, title, and interest of Grantor in and to present and future patents and patent applications, domestic or foreign, and the inventions and improvements claimed therein (including, without limitation, all present patents and patent applications of Grantor, which are listed on Schedule B, attached hereto and made a part of this Intellectual Property Security Agreement) and (i) the reissues, divisions, continuations, renewals, extensions and continuations in-part thereof, (ii) all income, royalties, damages and payments now or in the future due and/or payable in connection therewith, including, without limitation, damages and payments for past or future infringements thereof, (iii) all rights to sue for past, present, or future infringements thereof, (iv) all right, title, and interest in any and all present and future license agreements with respect thereto between Grantor and any other party, regardless of whether Grantor is licensor or licensee, including, without limitation, the rights to income or royalties from such licenses, (v) all rights corresponding thereto throughout the world, (vi) all general intangibles and all intellectual or other similar property of Grantor of any kind or nature, arising from or associated therewith not otherwise described above, and (vii) all proceeds of any kind arising from any and all of the foregoing (collectively, the "Patents");

(c) all of the right, title, and interest of Grantor in and to present and future federal, state (including common law), and foreign trademarks, service marks, and trade names, and all applications for registration of such trademarks, service marks, and trade names filed under section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), or section 1(b) of the Trademark Act, 15 U.S.C. § 1051(b) for which a statement of use has been filed, the assignment of an interest in which would not result in an invalidation of the registration (including, without limitation, all present trademarks, service marks, and trade names of Grantor, and the applications and registrations thereof, which are listed on Schedule C, attached hereto and made a part of this Intellectual Property Security Agreement) and (i) renewals or extensions thereof, (ii) all income, royalties, damages, and payments now due and/or payable in connection therewith, including, without limitation, damages and payment for past or future infringements thereof, (iii) the right to sue for past, present, and future infringements thereof, (iv) all right, title, and interest in any and all present and future license agreements with respect thereto between Grantor and any other party, regardless of whether Grantor is licensor or licensee, including, without limitation, the rights to income or royalties from such licenses, (v) all rights corresponding thereto throughout the world, (vi) all general intangibles and all intellectual or other similar property of Grantor of any kind or nature, arising from or associated therewith and not otherwise mentioned above, (vii) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor symbolized by and connected therewith, and (viii) all proceeds of any kind arising from any and all of the foregoing, but excluding, in each case, any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege

use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Intellectual Property Collateral (collectively, the "Trademarks");

(d) all of the right, title, and interest of Grantor in and to present and future trade secrets, formulas, processes, devices, know-how, or compilations of information (including technical information and non-technical information such as customer lists and marketing plans), which are not available to others and which are maintained as confidential by Grantor, and (i) the right to prevent misappropriation and unauthorized disclosures thereof, (ii) the right to sue for such past, present and future misappropriations or unauthorized disclosures, (iii) all right, title, and interest in any and all present and future license agreements with respect thereto between Grantor and any other party, regardless of whether Grantor is licensor or licensee, including, without limitation, the rights to income or royalties from such licenses, (iv) all other rights and interests corresponding thereto throughout the world, and (v) all proceeds of any kind arising from any and all of the foregoing (collectively, the "Trade Secrets");

(e) all of Grantor's present and future right, title, and interest in any domain name or any application or registration of any domain name and (i) the right to sue for any past, present, or future violation of the rights associated therewith, (ii) all right, title, and interest in any and all present and future license agreements with respect thereto between Grantor and any other party, regardless of whether Grantor is a licensor or licensee, including, without limitation, the rights to income or royalties from such licenses, (iii) all other rights and interests corresponding thereto throughout the world, and (iv) all proceeds of any kind arising from any and all of the foregoing (collectively, the "Domain Names"); and

(f) all present and future license agreements with respect to any of the Patents, Trademarks, Copyrights, Trade Secrets, Domain Names, or any other patent, trademark, trade name, copyright, trade secret, or domain name, or any application or registration thereof, between Grantor and any other party, whether Grantor is a licensor or licensee under any such license agreement, and (i) renewals, extensions, or amendments thereof, (ii) all income, damages, and payments for past or future infringements thereof, (iii) the right to sue for past, present, and future infringements thereof, (iv) all rights corresponding thereto throughout the world, and (v) all proceeds of any kind arising from any and all of the foregoing (collectively, the "Licenses").

2. Representations, Warranties, Covenants, and Agreements. Grantor represents and warrants to, and covenants and agrees with, Lender that:

(a) the Intellectual Property Collateral listed in Schedules A-C, respectively, constitutes all of the Copyrights, Patents, and Trademarks now owned by Grantor or in which Grantor has any right, title, or interest that is material to the operation of Grantor's business;

(b) the Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(c) all of the Intellectual Property Collateral is valid and enforceable and Grantor's use thereof does not infringe upon the intellectual property rights of any third party;

(d) Grantor has unencumbered right, title, and interest in and to all of the Intellectual Property Collateral free and clear of any liens, charges, or encumbrances, subject to Permitted Encumbrances;

(e) Grantor has the authority to execute and perform, and will continue to have the authority to perform, this Intellectual Property Security Agreement according to its terms;

(f) this Intellectual Property Security Agreement does not violate and is not in contravention of any other material agreement to which Grantor is a party or any material judgment or decree by which Grantor is bound and does not require any consent under any other agreement to which Grantor is a party or by which is bound; and

(g) Grantor has no notice of any suits or actions commenced or threatened with respect to, or affecting, any of the Intellectual Property Collateral.

3. **Covenants.** Grantor covenants and agrees with Lender, that from and after the date of this Intellectual Property Security Agreement and until its termination:

(a) Grantor shall notify Lender immediately if it has actual knowledge that any application or registration relating to any Intellectual Property Collateral material to Grantor's business (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any court) regarding Grantor's ownership of any such material Intellectual Property Collateral, its right to register the same, or to keep and maintain the same.

(b) If Grantor shall obtain rights to any new patents, trademarks, copyrights, trade secrets, domain names or licenses, the provisions of this Intellectual Property Security Agreement shall automatically apply thereto, and Grantor shall give prompt notice in writing to Lender of any additions necessary to maintain the information in Schedules A-C at all times as then current and complete listings of all Copyrights, Patents, and Trademarks. Grantor authorizes Lender to modify this Intellectual Property Security Agreement or to amend the Schedules hereto to include any such additional rights in patents, trademarks, copyrights, trade secrets, domain names or licenses. However, a failure to so modify this Intellectual Property Security Agreement or the Schedules hereto shall in no way affect, invalidate, or detract from Lender's continuing security interest in all of the Intellectual Property Collateral, whether or not listed in the Schedules hereto.

(c) Grantor shall take all actions reasonably necessary to file, maintain, and pursue each application, to obtain the relevant registration, and to maintain the registration of each of the Patents, Trademarks, and Copyrights (now or hereafter

existing), at minimum consistent with Grantor's past practices, and, in any event, with respect to any such individual item having (or reasonably likely to have) a value of \$10,000 or more, including the filing of applications with respect to any such existing or future unregistered copyrightable works and trademarks, applications for renewal, affidavits of use, affidavits of incontestability, and opposition, interference, and cancellation proceedings, and provide notice in writing to Lender of such actions.

(d) In the event that any of the Intellectual Property Collateral having material value is infringed upon, or misappropriated, or diluted by a third party, Grantor shall notify Lender promptly after Grantor learns thereof. Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is in no way material to the conduct of its business or operations, promptly take such actions as are reasonably appropriate under the circumstances (including, without limitation, as appropriate, suing for infringement, misappropriation, or dilution) to protect such Intellectual Property Collateral.

4. Power of Attorney. Grantor hereby irrevocably grants Lender for its benefit a power of attorney to act as Grantor's attorney-in-fact, with full authority in the name, place, and stead of Grantor, from time to time and in Lender's discretion, to take any action and to execute any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Intellectual Property Security Agreement; provided, however, that Grantor shall not exercise such power of attorney in enforcement of its rights under Section 6 of this Intellectual Property Security Agreement unless an Event of Default has occurred and is continuing. This authority includes, without limitation, the authority to do the following:

(a) to modify or amend (in the sole discretion of Lender and without first obtaining Grantor's approval of or signature thereto) any of the Schedules hereof, as appropriate, to include references to any registered Intellectual Property Collateral (or application or license therefore) acquired by Grantor after the execution of this document or to delete any reference to any Intellectual Property Collateral in which Grantor no longer has or claims any right, title, or interest; and

(b) to execute, file, and pursue (in the sole discretion of Lender and without first obtaining Grantor's approval of or signature thereto, unless otherwise prohibited by applicable law) any application, form, or other document in order to perfect, maintain, continue, or otherwise protect Lender's interest or Grantor's rights in the Intellectual Property Collateral, including, without limitation, executing and filing (i) any financing statement, any continuation statement, or any amendment thereto, and (ii) any document in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, or the relevant office of any state or foreign jurisdiction (including, without limitation, the filing of applications for renewal, affidavits of use, affidavits of incontestability, and opposition, interference, and cancellation proceedings) and to pay any fees and taxes in connection therewith or otherwise; and

(c) to execute any document required to acknowledge, register, or perfect the interest of Lender in any part of the Intellectual Property Collateral without the signature of Grantor, unless prohibited by applicable law.

The foregoing Power of Attorney is coupled with an interest and is irrevocable.

5. **Supplement to Loan Agreement.** This Intellectual Property Security Agreement has been entered into in conjunction with the provisions of and the security interest granted to Lender under the Loan Agreement and other Loan Documents. The rights and remedies of Grantor and Lender with respect to the security interests granted herein are in addition and without prejudice to those set forth in the Loan Agreement, all of the terms and provisions of which Loan Agreement are incorporated herein by reference. In the event that any provisions of this Intellectual Property Security Agreement are deemed to conflict with the Loan Agreement or the other Loan Documents, the provisions of the Loan Agreement or the other Loan Documents shall govern.

6. **Assignment.** Upon the occurrence and during the continuation of an Event of Default, Grantor shall execute and deliver to Lender an absolute assignment transferring its entire right, title, and interest in and to the Intellectual Property Collateral to Lender.

7. **Binding Effect.** This Intellectual Property Security Agreement shall be binding upon, inure to the benefit of, and be enforceable by Grantor, Lender, and their respective successors and assigns. Grantor may not assign, transfer, hypothecate, or otherwise convey its rights, benefits, obligations, or duties hereunder except as specifically permitted by the Loan Agreement.

8. **Governing Law.** This Intellectual Property Security Agreement shall be governed by the law of the State of Ohio, except as required by mandatory provisions of law or to the extent the validity, perfection, or priority of the security interests hereunder in respect of any Intellectual Property Collateral are governed by the law of a jurisdiction other than the State of Ohio.

9. **Entire Agreement.** This Intellectual Property Security Agreement and the Loan Agreement, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter.

10. **Modification.** Neither this Intellectual Property Security Agreement nor any provision hereof may be modified, amended, or waived except by the written agreement of the parties, as provided in the Loan Agreement, or as specifically provided otherwise in this Intellectual Property Security Agreement.

11. **Counterparts.** This Intellectual Property Security Agreement may be executed in any number of counterparts with the same effect as if all the signatures on such counterparts appeared on one document; each such counterpart will be deemed to be an original, but all counterparts together will constitute one and the same instrument.

12. **Termination.** Unless otherwise agreed in writing by the parties, the security interests granted herein will terminate (and all rights to the Intellectual Property Collateral will revert to Grantor) upon satisfaction of the following conditions: (a) payment and performance in full of the Obligations secured hereby (unconditionally and indefeasibly) and (b) the termination of the Loan Agreement. Upon any such termination, Lender (at Grantor's request and sole

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement, through their duly appointed officers, as of the date first written above.

VERNAY LABORATORIES, INC.

RBS CITIZENS, N.A.

By: Robert J. Hoglund
Rob Hoglund, Chief Financial Officer

By: _____
Name: _____
Title: _____

SIGNATURE PAGE TO IP SECURITY AGREEMENT WITH VERNAY LABORATORIES, INC.

IN WITNESS WHEREOF, the parties hereto have executed this Intellectual Property Security Agreement, through their duly appointed officers, as of the date first written above.

VERNAY LABORATORIES, INC.

RBS CITIZENS, N.A.

By: _____
Rob Hoglund, Chief Financial Officer

By: J. D. R. [Signature]
Name: Daniel R. Rainey
Title: SENIOR VICE PRESIDENT

SIGNATURE PAGE TO IP SECURITY AGREEMENT WITH VERNAY LABORATORIES, INC.

VERNAY LABORATORIES, INC.
SCHEDULES TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

SCHEDULE A. Copyrights

None.

SCHEDULE B. Patents

<u>Patent Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
Disc type check valve	5,992,462	November 30, 1999
Internal post flow control	7,222,643	May 29, 2007
Combination umbrella and inverted bi-directional valve	7,243,676	July 17, 2007
Flow-control valve assembly	7,225,829	June 5, 2007
Umbrella valve assembly	7,302,971	December 4, 2007

SCHEDULE C. Trademarks

<u>Trademark Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
V-BALL	775,724	August 25, 1964
VERNAFLO	1,743,145	December 29, 1992
VERNAY	1,599,603	June 5, 1990
VERNAY SUPRAVALVE	1,333,280	April 30, 1985
V-SEAT	1,414,228	October 21, 1986
V-TIP	766,197	March 10, 1964

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