

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
NATIONAL DIVERSIFIED SALES, INC.		09/22/2011	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

<b>Name:</b>	PNC BANK, NATIONAL ASSOCIATION
<b>Street Address:</b>	500 FIRST AVENUE
<b>Internal Address:</b>	FOURTH FLOOR
<b>City:</b>	PITTSBURGH
<b>State/Country:</b>	PENNSYLVANIA
<b>Postal Code:</b>	15219
<b>Entity Type:</b>	NATIONAL BANKING ASSOCIATION: UNITED STATES

**PROPERTY NUMBERS Total: 24**

Property Type	Number	Word Mark
Registration Number:	3672013	AGRIFIM
Serial Number:	85207380	CLAMP-N-PIERCE
Registration Number:	1658662	DRIP HYDRANT
Registration Number:	3373814	DRIP STAR
Registration Number:	3507754	DRIP-A-LONG
Serial Number:	77672316	DURA SLOPE
Registration Number:	3495859	EZ ROLL
Registration Number:	3783436	FLO CONTROL
Registration Number:	3113850	GRASSROAD PAVERS
Registration Number:	3432636	HYDROPORT
Serial Number:	85074944	LANDSCAPE YOUR HARDSCAPE
Registration Number:	3286130	NDS
Serial Number:	85073977	NDS WE PUT WATER IN ITS PLACE

CH \$615.00 3672013

Registration Number:	3413256	NEXT GENERATION CATCH BASIN
Registration Number:	3626357	PRO-SPAN
Registration Number:	1172139	RAINDRIP
Registration Number:	3450937	SIMPLE DRIP
Registration Number:	2445786	SPEE-D
Registration Number:	2686626	STRETCH 'N LOCK
Registration Number:	3023706	TUFFTRACK
Registration Number:	3507752	ULTRA SPRAY
Serial Number:	77872035	WEATHERSMART
Serial Number:	77879582	WEATHERSMARTPRO
Serial Number:	85302091	SMART WATERING MADE EASY

**CORRESPONDENCE DATA**

Fax Number: (212)755-7306  
Phone: 212-326-3939  
Email: NYTEF@JONESDAY.COM  
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*  
Correspondent Name: JENNIFER M. MCGREW, ESQ.  
Address Line 1: JONES DAY  
Address Line 2: 222 EAST 41ST STREET  
Address Line 4: NEW YORK, NEW YORK 10017

ATTORNEY DOCKET NUMBER:	879047-620009
NAME OF SUBMITTER:	JENNIFER M. MCGREW
Signature:	/JENNIFER M. MCGREW/
Date:	09/28/2011

Total Attachments: 18  
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## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made this 22nd day of September 2011, by and among NATIONAL DIVERSIFIED SALES, INC. (the "Borrower") to and in favor of PNC BANK, NATIONAL ASSOCIATION (the "Administrative Agent"), as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties referred to in the Credit Agreement (defined below).

### RECITALS

A. The Borrower has entered into the Credit Agreement with the Lenders who are or may become subject thereto (the "Lenders"), the Administrative Agent and certain other agents party thereto, dated as of the date hereof (as amended, modified, restated, replaced and/or supplemented from time to time hereafter, the "Credit Agreement"), pursuant to which the Lenders, subject to the terms and conditions contained therein, are to make loans to the Borrower.

B. It is a condition precedent to the Lenders making any loans to the Borrower under the Credit Agreement that the Borrower executes and delivers this IP Agreement granting the Administrative Agent a security interest in the collateral described in this IP Agreement as security for the Obligations.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations, the Borrower hereby represents, warrants, covenants and agrees as follows:

Section 1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of the Obligations, the Borrower hereby grants to the Administrative Agent a security interest in all of the Borrower's right, title and interest in, to and under the Computer Software Collateral, the Copyright Collateral, the Patent Collateral, the Trade Secrets Collateral and the Trademark Collateral (each as defined below), now or hereafter existing, created, acquired or held, if any (all of which shall collectively be called the "Intellectual Property Collateral"). As used herein:

"Computer Software Collateral" means:

(a) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter developed, designed or acquired by the Borrower;

(b) all firmware associated with the property described in clause (a) of this definition;

(c) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) and (b);

(d) the specific collateral set forth in Exhibit A attached hereto, which lists all computer software described in clauses (a) and (b) of this definition that is material to Borrower's business; and

(e) all rights with respect to all of the foregoing, including without limitation, any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing, but "Computer Software Collateral" excludes any of the above listed items that would be considered part of clauses (a) through (e) to the extent that the rights or title associated with them reside with a third party and that by including the same as part of the above, the Borrower would breach, violate or void a license, contract, agreement or like document between the Borrower and such third party.

"Copyright Collateral" means all copyrights of the Borrower in addition to the Computer Software Collateral, and all semiconductor chip product mask works of the Borrower, whether under statutory or common law, registered or unregistered, now or hereafter in force throughout the world, including, without limitation, all of the Borrower's right, title and interest in and to all copyrights and mask works registered in the United States Copyright Office or anywhere else in the world and also including, without limitation, those set forth on Exhibit B attached hereto and all applications for registration thereof, whether pending or in preparation, all copyright and mask work licenses, including each copyright and mask work license (whether as licensee or licensor) referred to in Exhibit B, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto throughout the world, including, without limitation, all neighboring rights and moral rights, all extensions and renewals of any thereof and all proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit, but "Copyright Collateral" excludes any of the above-listed items to the extent that the control or title associated with them reside with a third party and that by including the same as part of the above definition, the Borrower would breach, violate or void a license, contract, agreement or like document between the Borrower and such third party.

"Material Intellectual Property Collateral" means any Intellectual Property Collateral that is material to the conduct of Borrower's business.

"Patent Collateral" means:

(a) all of the Borrower's letters patent and applications for letters patent throughout the world, including all patent applications anywhere in the world, whether now existing or hereafter acquired;

(b) all patent licenses of the Borrower (whether as licensee or licensor);

(c) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clauses (a) and (b) of this definition;

(d) the collateral set forth in Exhibit C attached hereto, which lists all current patents and pending patent applications; and

(e) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to herein, and for breach or enforcement of any patent license, including any patent license referred to herein, and all rights corresponding thereto throughout the world, but "Patent Collateral" excludes any of the above listed items that would be considered part of clauses (a) through (e) to the extent that the rights or title associated with them reside with a third party and that by including the same as part of the above, the Borrower would breach, violate or void a license, contract, agreement or like document between the Borrower and such third party.

"Security Agreement" means the Security Agreement, dated as of the date hereof, by the Borrower in favor of the Administrative Agent, as amended, modified, restated, replaced or supplemented from time to time.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential or proprietary or useful information of the Borrower and all know-how obtained by or used in or contemplated at any time, now or hereafter, for use in the business of the Borrower (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses of the Borrower (whether as licensee or licensor), including each Trade Secret license referred to herein, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license. "Trade Secrets Collateral" excludes any of the above-listed items to the extent that the rights or title associated with them reside with a third party and that by including the same as part of the above definition, the Borrower would breach, violate or void a license, contract, agreement or like document between the Borrower and such third party.

"Trademark Collateral" means:

(a) all of the Borrower's: trademarks, trade names, Internet domain names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "Trademark"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any state thereof or any foreign country, but "Trademark Collateral" excludes any (i) of the above-listed items to the extent that the rights or title associated with them resides with a third party and that by including the same as part of the above definition, the Borrower would breach, violate or void a license, contract, agreement or

like document between the Borrower and such third party, and (ii) United States intent-to-use trademark or service mark 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 or service mark applications under applicable federal law;

(b) all Trademark licenses (whether as licensee or licensor);

(c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b) of this definition;

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a), (b) and (c);

(e) the collateral set forth in Exhibit D attached hereto, which lists all registered trademarks and pending trademark applications; and

(f) all proceeds of, and rights associated with, the foregoing, including any claim by the Borrower against third parties for past, present or future infringement or dilution of the foregoing, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license, but "Trademark Collateral" excludes any of the above-listed items that would be considered part of clauses (a) through (f) to the extent that the rights or title associated with them resides with a third party and that by including the same as part of the above, the Borrower would breach, violate or void a license, contract agreement or like document between the Borrower and such third party.

Notwithstanding the foregoing, "Intellectual Property Collateral" shall exclude all assets specified in the last paragraph of Section 2 of the Security Agreement as being excluded from "Collateral" for purposes of the Security Agreement.

Section 2. Obligations Secured. The foregoing security interest is made for the purpose of securing (in such order as the Administrative Agent may elect) the Obligations.

Section 3. Authorization and Request. The Borrower authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks, and any other appropriate officer on a state level or in any foreign country, as applicable, record this IP Agreement.

Section 4. Covenants and Warranties. The Borrower represents, warrants, covenants and agrees as follows:

(a) Except for in-licensed Intellectual Property Collateral and subject to any grant of license or sale of goods by the Borrower in the ordinary course of business, the Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in the Intellectual Property Collateral, free and clear of any liens, charges and encumbrances except for Liens permitted by Section 7.2.3 of the Credit Agreement;

(b) Performance of this IP Agreement does not conflict with or result in a breach of any other agreement to which the Borrower is bound except where such breach

would not have a Material Adverse Effect, and this IP Agreement constitutes the grant of a security interest;

(c) During the term of this IP Agreement, the Borrower shall not transfer, assign or sell any interest in the Intellectual Property Collateral except as appropriate for the Borrower to do in the ordinary course of conducting its business or as permitted by the Credit Agreement, or hypothecate, or otherwise encumber any interest in the Intellectual Property Collateral, except as permitted by the Credit Agreement;

(d) The Borrower shall, upon the request of any Secured Party, execute a notice in a form reasonably acceptable to the Borrower and the Administrative Agent with respect to any Patent Collateral, Trademark Collateral or Copyright Collateral then owned, and shall deliver such notice to the Administrative Agent for recording in the U.S. Patent and Trademark Office or Register of Copyrights, as applicable, and in any other appropriate office on a state level or in any foreign country, as applicable, so as to formally record this IP Agreement;

(e) The Borrower shall promptly notify the Administrative Agent of all after-acquired Intellectual Property Collateral, whether hereafter owned, developed or acquired by the Borrower or any Subsidiary of the Borrower and shall notify the Administrative Agent of any patents, trademarks, or copyrights registered or applied for after execution of this IP Agreement. Any expenses incurred in connection with such registrations and applications shall be borne by the Borrower;

(f) This IP Agreement creates, and in the case of after-acquired Intellectual Property Collateral this IP Agreement will create at the time the Borrower first has rights in such after-acquired Intellectual Property Collateral, in favor of the Administrative Agent, a valid and, upon making the filings referred to in clause (g) below, a perfected first priority security interest in the Intellectual Property Collateral securing the payment and performance of the Obligations, subject to no other liens other than Liens permitted by Section 7.2.3 of the Credit Agreement;

(g) Except for, and upon, the filings (i) pursuant to the Uniform Commercial Code as specified in the Security Agreement, (ii) with the United States Patent and Trademark Office with respect to the Patent Collateral and Trademark Collateral (iii) the U.S. Register of Copyrights with respect to the Copyright Collateral and (iv) the appropriate state or local authority for any state registrations, that are necessary to perfect the security interests created hereunder, and except as has been already made or obtained and are in full force and effect, no authorization, approval or other action by, and no notice to or filing with, any U.S. Governmental Authority or U.S. regulatory body is required either: (1) for the grant by the Borrower of the U.S. security interest granted hereby or for the execution, delivery or performance of this IP Agreement by the Borrower or (2) for the perfection of the U.S. security interests granted hereby or the exercise by Secured Party of its rights and remedies thereunder;

(h) Reserved;

(i) Excluding those agreements that are executed by the Borrower in the ordinary course of business, the Borrower shall not enter into any agreement that would



impair or conflict with the Borrower's obligations hereunder with regard to the Intellectual Property Collateral without the Administrative Agent's prior written consent, which shall not be unreasonably withheld. The Borrower shall not permit the inclusion in any material contract to which it becomes a party of any provisions that reasonably could in any way prevent the creation of a security interest in the Borrower's rights and interest in any Intellectual Property Collateral that may be acquired by the Borrower under such contract;

(j) Except for those contracts and license arrangements that are in the ordinary course of business, the Borrower shall not take any action, or enter into any license, royalty, assignment or other agreement which is inconsistent with the Borrower's obligations under this IP Agreement or which has the effect of materially reducing the value of the Material Intellectual Property Collateral without the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, and the Borrower shall give the Administrative Agent thirty (30) days' prior written notice of any proposed license, royalty, assignment or other agreement which would bind the Borrower and which would have a material impact on the business of the Borrower;

(k) Borrower has made or performed all filings, recordings and other acts and has paid all required fees and taxes necessary to maintain and protect its interest in each and every item of Intellectual Property Collateral owned by Borrower, except as would not be reasonably likely to have a Material Adverse Effect. Borrower has used proper statutory notice in connection with its use of each patent, trademark and copyright in the Intellectual Property Collateral, except, in each case, as could not reasonably be expected to have a Material Adverse Effect; and

(l) To Borrower's knowledge, (i) none of the Trade Secrets have been used, divulged, disclosed or appropriated to the detriment of Borrower for the benefit of any other Person other than Borrower; (ii) no employee, independent contractor or agent of Borrower has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of Borrower; and (iii) no employee, independent contractor or agent of Borrower is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of any Intellectual Property Collateral, except, in the case of subsections (i), (ii) and (iii) above, as could not reasonably be expected to have a Material Adverse Effect.

**Section 5. As to Intellectual Property Collateral.**

(a) With respect to each item of its Intellectual Property Collateral owned by Borrower, Borrower agrees to take, at its expense, all reasonable steps, including, without limitation, in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other Governmental Authority, to (i) maintain such Intellectual Property Collateral in full force and effect, and (ii) pursue the registration and maintenance of each patent, trademark, or copyright registration or application, now or hereafter included in such Intellectual Property Collateral of Borrower. Borrower shall not, without the written consent of the Administrative Agent, discontinue use of or otherwise abandon any Intellectual Property Collateral, or abandon any right to file an application for patent, trademark, or copyright, unless Borrower shall have

previously determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer desirable in the conduct of Borrower's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect, in which case, Borrower will give prompt notice of any such abandonment to the Administrative Agent.

(b) Borrower agrees promptly to notify the Administrative Agent if Borrower becomes aware (i) that any item of the Intellectual Property Collateral owned by Borrower may have become abandoned, placed in the public domain, invalid or unenforceable, or of any adverse determination or development regarding Borrower's ownership of any of the Intellectual Property Collateral or its right to register the same or to keep and maintain and enforce the same, or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the U.S. Patent and Trademark Office or any court (provided that the foregoing shall not include office actions with the United States Patent and Trademark Office or the United States Copyright Office or any foreign counterpart thereof) regarding any item of the Intellectual Property Collateral.

(c) In the event that Borrower becomes aware that any item of the Material Intellectual Property Collateral owned by Borrower is being infringed or misappropriated by a third party, Borrower shall promptly notify the Administrative Agent and, if such infringement or misappropriation could reasonably be expected to have a Material Adverse Effect on Borrower's business, Borrower shall take such actions, at its expense, as Borrower or Administrative Agent deems reasonable and appropriate under the circumstances to protect or enforce such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation.

(d) Borrower shall not knowingly do or permit any act or knowingly omit to do any act whereby any of its Intellectual Property Collateral may lapse or become invalid or unenforceable or placed in the public domain, unless Borrower shall have previously determined that the use, pursuit or maintenance of such Intellectual Property is no longer desirable to the conduct of Borrower's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect.

Section 6. Administrative Agent's Rights. The Administrative Agent shall have the right, but not the obligation, to take, at the Borrower's sole expense, any action that the Borrower is required to take under this IP Agreement but which the Borrower fails to take, after ten (10) Business Days' notice of such failure to the Borrower. The Borrower shall reimburse and indemnify the Administrative Agent for all reasonable costs and expenses incurred in the exercise of its rights under this Section 6. The giving of notice pursuant to this Section 6 and all other sections of the IP Agreement shall be governed by the terms of Section 10.2 of the Credit Agreement.

Section 7. Responsibility of the Borrower. In furtherance and not in limitation of the other provisions of this IP Agreement, and except as otherwise stated in this IP Agreement, the Administrative Agent shall have no duty or responsibility with respect to the Intellectual Property Collateral or its preservation.

Section 8. Conduct of Business; Inspection Rights. In order to preserve and protect the goodwill associated with the Trademarks, the Borrower covenants and agrees to maintain the quality of the products and services sold under or in connection with the Intellectual Property Collateral as the Borrower deems to be in its best interests and, except in accordance with its customary business practices, the Borrower shall not at any time permit any material impairment of the quality of said products and services. The Borrower shall do any and all acts reasonably required by the Administrative Agent to ensure the Borrower's compliance with this Section 8. The Borrower hereby grants to Administrative Agent and its employees, representatives and agents the right, upon the giving of three (3) Business Days' notice, to visit the Borrower, and any of the plants and facilities owned or leased by Borrower that manufacture or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto as often as may be requested.

Section 9. Further Assurances; Attorney in Fact.

(a) On a continuing basis, and at the Borrower's sole expense, the Borrower shall, subject to any prior licenses, encumbrances and restrictions and prospective licenses, execute, acknowledge and deliver for filing, all such instruments, including financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and United States Copyright Office, and take all other such action as may be reasonably requested by the Administrative Agent, to create, preserve, continue, charge, validate or perfect the Administrative Agent's security interest in all Intellectual Property Collateral and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to the Administrative Agent the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) The Borrower hereby irrevocably appoints the Administrative Agent as the Borrower's attorney-in-fact, with full authority in the place and stead of the Borrower and in the name of the Borrower, the Administrative Agent or otherwise, from time to time in the Administrative Agent's discretion, upon the Borrower's failure or inability to do so, to take any action and/or to execute any instrument which the Administrative Agent may reasonably deem necessary to accomplish the purposes of this IP Agreement, including without limitation:

(i) the modification of this IP Agreement without first obtaining the Borrower's approval of or signature to such modification by amending any Exhibit hereof, as appropriate, to include reference to any right, title or interest in any Intellectual Property Collateral owned or acquired by the Borrower after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property Collateral in which the Borrower no longer has or claims any right, title or interest;

(ii) the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of the Borrower; and

(iii) solely upon the occurrence and during the continuance of an Event of Default, the endorsement of the Borrower's name on all applications, documents, papers and instruments as is necessary for the Administrative Agent to use the Intellectual Property Collateral, or to grant or issue any exclusive or non-exclusive license under the Intellectual Property Collateral to any third person, or necessary for the Administrative Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral, including the goodwill associated therewith, to the Administrative Agent or any third party.

(c) This power of attorney, being coupled with an interest, shall be irrevocable for the life of this IP Agreement.

Section 10. Remedies. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall have all rights and remedies set forth in Section 15 of the Security Agreement.

Section 11. Proceeds of Dispositions; Expenses. After the occurrence of an Event of Default and an acceleration of the Obligations, all cash proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral shall be applied by the Administrative Agent against, all or any part of the Obligations as provided in Section 19 of the Security Agreement.

Section 12. Conduct of Business After Event of Default. The parties understand and agree that with respect to the Intellectual Property Collateral, Section 15 of the Security Agreement will and is intended to permit the Administrative Agent and its successors and assigns, upon the occurrence and continuance of an Event of Default, to take title to and make use of all rights to the Intellectual Property Collateral and to carry on the business of the Borrower.

Section 13. Deficiency. If proceeds referred to in Section 19 of the Security Agreement are insufficient to pay the Obligations in full in cash, the Borrower and each other Obligor shall, jointly and severally, continue to be liable for the entire deficiency.

Section 14. Release of Security Interest. On the Termination Date, the Administrative Agent shall release its security interest in the Intellectual Property Collateral and execute and deliver to the Borrower all UCC-3 termination statements or other instruments evidencing such release as may be reasonably requested by the Borrower.

Section 15. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 16. Assigns. This IP Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns; provided, however, that the Borrower may not assign or transfer its rights or obligations hereunder without the consent of the Administrative Agent.

Section 17. Amendments. This IP Agreement may be amended only by a written instrument signed by all parties hereto, except as specifically provided under Section 9 hereof.

Section 18. Counterparts. This IP Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement.

Section 19. Law and Jurisdiction. THIS IP AGREEMENT AND ANY CLAIMS, CONTROVERSY OR, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS IP AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 20. Confidentiality. In handling any confidential information, including (without limitation) Trade Secrets Collateral, the Administrative Agent shall exercise the same degree of care that it exercises with respect to its own proprietary information to maintain the confidentiality and/or trade secret status of any non-public information thereby received or received pursuant to this IP Agreement, but in no case shall it use less than reasonable care, except that the disclosure of this information may be made (a) as required by law, regulation, rule or order, subpoena, judicial order or similar order and (b) provided that the recipient has entered into a comparable confidentiality agreement in favor of the Borrower and has delivered a copy, (i) to the Borrower, (ii) to the affiliates of the Administrative Agent, (iii) to prospective transferees or purchasers of or participants in an interest in the Obligations secured hereby, provided that such other parties are primarily in the financing business and are not competitors of the Borrower, and (iv) as may be required in connection with the examination, audit or similar investigation of the Administrative Agent, provided that such information continues to be held in confidence.

Section 21. Severability. Any provision of this IP Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this IP Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 22. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

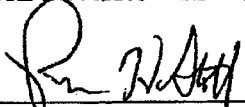
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[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

**Borrower:**

**NATIONAL DIVERSIFIED SALES, INC.**

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

Name: Randall H. Stott

Title: Chief Financial Officer

IP Security Agreement

**TRADEMARK**  
**REEL: 004632 FRAME: 0108**

**Administrative Agent:**

**PNC BANK, NATIONAL ASSOCIATION, as  
Administrative Agent for the Lenders**

By:



Name: Jeremy Henrich  
Title: Vice President

IP Security Agreement

**TRADEMARK**  
**REEL: 004632 FRAME: 0109**

## EXHIBIT "A"

### COMPUTER SOFTWARE COLLATERAL

#### Material In-Licensed Computer Software and Material Proprietary Software:

##### A. In-Licensed Computer Software

1. iQ4bis (includes iQ4bis DataServer <sup>TM</sup> and Analysis <sup>TM</sup>)
2. Syspro (includes Windows Manager, Cobol Runtime, Office Automation, OBDC Drivers, IMP99, EDI System, Accounts Payable, Accounts Receivable, Cash Book, General Ledger, Inventory Control, Purchase Orders, Sales Order Processing, Sales Analysis, Advance Shipping System, Bill of Materials, WIP/Job Costing, Net Requirements/MRP, ST-Point Interface, and ST-Point for Eulore]
3. Salesforce.com (includes Mobile Product, Premier Training – Enterprise Edition, and Service Cloud – Enterprise Edition)
4. Trading Partner Desktop or Workgroup
5. SolidWorks Professional/SolidWorks Simulation
6. Marqueto Integration, Lead Management and Sales Insight Software

##### B. Material Proprietary Software

1. NDS Performance System
2. NDS CRM
3. NDS Shopping Cart and Rep/Distributor Tools
4. NDS Report Portal
5. Drainage Calculator
6. EZ Flow Drainage Jobsite Savings Calculator
7. WeatherSmart Pro Irrigation SmartController firmware
8. Literature Direct (fulfillment system for literature and samples)



**EXHIBIT "B"**  
**COPYRIGHT COLLATERAL**

None.

**EXHIBIT "C"**  
**PATENT COLLATERAL**

<u>Description</u>	<u>Application/ Patent Number</u>	<u>Application/Issue Date</u>
Catch Basin Having Selectable Port Position	7,303,357	12/4/2007
Catch Basin Having Selectable Port Position	7,651,297	1/26/2010
Flow Control Device	12/107,724	4/22/2008
Extruded Landscape Edging Strip and Method of Making Same	7,409,796	8/12/2008
Adjustable Flow Bubbler For Drip Irrigation Systems	6,827,298	12/7/2004
Rollable Load Bearing Mat For Turf Areas	7,210,876	5/1/2007
System and Method For Irrigation Controller	7,957,843	6/7/11
System and Method For a Curved Conduit	7,955,027	6/7/11
Irrigation Controller	D603347	11/3/2009
Irrigation Controller	D603348	11/3/2009
Flow Control Device <sup>1</sup>	200910128284.1	3/30/2009
Water Heater And Stand	D441855	5/8/2001
Utility Outlet To Connect A Corrugated Sewer and Drain Pipe To A Catch Basin	D402013	12/1/1998
Expansion Repair Coupling	12/940,741	11/5/2010
Weather Based Irrigation Controller	13/022,425	2/7/2011
Sprinkler Canister Seal	13/090,938	4/20/2011

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<sup>1</sup> Filed in the People's Republic of China

<u>Description</u>	<u>Application/ Patent Number</u>	<u>Application/Issue Date</u>
Clamp and Spike for Flexible Conduit	13/038,058	3/1/2011
System and Method for Irrigation Control	13/152,831	6/3/2011
System and Method For Packaging Coiled Material For transport and Display <sup>2</sup>	12/723,307	3/12/2010

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<sup>2</sup> Borrower has decided not to pursue this patent application any further and will allow it to lapse in the ordinary course.

**EXHIBIT "D"**

**TRADEMARK COLLATERAL**

<u>Trademark</u>	<u>Serial/ Registration Number</u>	<u>Reg./App. Date</u>
AGRIFIM	3,672,013	8/25/2009
CLAMP N PIERCE	85/207380	12/29/2010
DRIP HYDRANT	1,658,662	9/24/1991
DRIP STAR	3,373,814	1/22/2008
DRIP-A-LONG	3,507,754	9/30/2008
DURA SLOPE	77/672,316	2/17/2009
EZ ROLL	3,495,859	9/2/2008
FLO CONTROL	3,783,436	5/4/2010
GRASSROAD PAVERS	3,113,850	7/11/2006
HYDROPORT	3,432,636	5/20/2008
LANDSCAPE YOUR HARDSCAPE	85/074,944	6/30/2010
NDS	3,286,130	8/28/2007
NDS WE PUT WATER IN ITS PLACE	85/073,977	6/29/2010
NEXT GENERATION CATCH BASIN	3,413,256	4/15/2008
PRO-SPAN	3,626,357	5/26/2009
RAINDRIP*	TMA383830	5/3/1991
RAINDRIP*	1448488	9/21/2000
RAINDRIP	7223001	6/26/2009
RAINDRIP*	815679 Renewal: 1348619	5/30/2000 Renewal: 9/29/2010

<u>Trademark</u>	<u>Serial/ Registration Number</u>	<u>Reg./App. Date</u>
RAINDRIP	255916MNA	10/9/1992
RAINDRIP*	227993	11/22/1991
RAINDRIP*	409722	2/23/1993
RAINDRIP	1,172,139	10/6/1981
RAIN DRIP and design	N 1600950	7/6/1990
SIMPLE DRIP	3,450,937	6/17/2008
SPEE-D	2,445,786	4/24/2001
STRETCH 'N LOCK	2,686,626	2/11/2003
TUFFTRACK	3,023,706	12/6/2005
ULTRA SPRAY	3,507,752	9/30/2008
WEATHERSMART	77/872,035	11/13/2009
WEATHERSMARTPRO	77/879,582	11/24/2009
SMART WATERING MADE EASY	85/302,091	4/22/2001

\* Currently held of record in the name of Raindrip, Inc.