

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
Rayne Corporation		11/22/2005	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Prudential Investment Management, Inc. as Collateral Agent on behalf and for the benefit of the Secured Parties		
Street Address:	Four Embarcadero Center		
Internal Address:	Suite 2700		
City:	San Francisco		
State/Country:	CALIFORNIA		
Postal Code:	94111		
Entity Type:	CORPORATION: NEW JERSEY		
PROPERTY NUMBERS Total: 5			
Property Type	Number	Word Mark	
Registration Number:	2466922	FOR THE WATER IN YOUR LIFE	
Registration Number:	0879932		
Registration Number:	0700965	RAYNE	
Registration Number:	0844761	RAYNE	
Registration Number:	0844760	RAYNE WATER CONDITIONING	
CORRESPONDENCE DATA			
Fax Number:	(415)393-2286		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	415-393-2000		
Email:	aaron.borden@bingham.com		
Correspondent Name:	Aaron J. Borden		
Address Line 1:	Three Embarcadero Center		
Address Line 4:	San Francisco, CALIFORNIA 94111-4067		

CH \$140.00 2466922

ATTORNEY DOCKET NUMBER:	0711621-0000316488
NAME OF SUBMITTER:	Mary Dougherty
Signature:	/Mary Dougherty/
Date:	12/09/2005

Total Attachments: 6

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**GRANT OF SECURITY INTEREST
(TRADEMARKS, SERVICE MARKS AND TRADE NAMES)**

THIS GRANT OF SECURITY INTEREST (TRADEMARKS, SERVICE MARKS AND TRADE NAMES) is dated as of November 22, 2005, between **RAYNE CORPORATION**, a California corporation having its chief executive office at 11726 San Vicente Boulevard, Suite 300, Los Angeles, California 90049 (the "**Grantor**"), and **PRUDENTIAL INVESTMENT MANAGEMENT, INC.**, having a representative office at Four Embarcadero Center, Suite 2700, San Francisco, California 94111 in its capacity as the Collateral Agent on behalf and for the benefit of the Secured Parties (in such capacity, the "**Grantee**"). Capitalized terms used, but not otherwise defined herein, shall have the meanings given to such terms in the Security Agreement (as defined below).

WHEREAS, pursuant to that certain Senior Secured Note Purchase, Revolving Credit and Acquisition Facility Agreement, dated as of November 22, 2005 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Note Agreement**"), by and between Rayne-San Diego, Inc., a California corporation (the "**Company**"), Prudential Investment Management, Inc. and the purchasers named therein, the Secured Parties have agreed to make certain extensions of credit to or for the Company's benefit in the amounts and manner set forth in the Note Agreement and the other Transaction Documents (collectively, the "**Credit**").

WHEREAS, pursuant to the terms of a Security Agreement, dated as of November 22, 2005 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), in favor of the Collateral Agent on behalf of and for the benefit of the Secured Parties, the Grantor has granted to the Grantee a security interest in all of the Grantor's right, title and interest, whether presently existing or hereafter arising or acquired, in, to and under all of the Collateral.

WHEREAS, the Secured Parties are willing to make, extend and maintain the Credit to and for the benefit of the Company, but only upon the condition, among others, that the Grantor shall grant a security interest in and assign for security purposes (and not as an absolute assignment) in favor of and to the Grantee, on behalf of and for the benefit of the Secured Parties, in and to, all of Grantor's right, title and interest in and to all Trademarks (as described below) to secure its payment and performance of the Secured Obligations.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, as collateral security for the prompt and complete payment and performance when due of the Secured Obligations, the Grantor hereby represents, warrants, covenants and agrees as follows:

As security for the full, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Collateral Agent and the Secured Parties to enter into the Note Agreement and the other Transaction Documents and to make,

extend and maintain the Credit to and for the benefit of the Company upon the terms and subject to the conditions thereof, Grantor hereby grants to the Collateral Agent, on behalf of and for the benefit of the Secured Parties, a continuing security interest in and to all of Grantor's respective right, title and interest in, to and under each of the following:

(a) all Trademarks (as defined in the Security Agreement), including, without limitation, each registered trademark, trade name and service mark and each trademark, trade name and service mark application for registration listed on *Schedules A* and *B* hereto, including, without limitation, all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, continuations, continuations-in-part and renewals thereof; *provided, however*, that the pledge and security interest created hereunder shall specifically exclude "intent-to-use" trademarks at all time prior to the first use thereof, whether by the actual use in commerce, the filing of a statement of use with the U.S. Patent and Trademark Office or otherwise; and

(b) the goodwill of the business connected with the use of, and symbolized by, each Trademark.

The Grantee does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are hereby incorporated herein by reference.

Following the termination of the Security Agreement in accordance with its terms, the security interest of Grantee in the Trademarks shall be automatically terminated, released and reassigned to the Grantor, and the Grantee will execute such instruments and authorize the filing of such financing statement terminations as may be reasonably requested to evidence such termination, release, and/or reassignment.

IN WITNESS WHEREOF, each of the parties has caused this Grant of Security Interest (Trademarks, Service Marks and Trade Names) to be duly executed by its officer(s) thereunto duly authorized as of the date first written above.

GRANTOR:

RAYNE CORPORATION, a California corporation

By: *Nicholas C. Memmo*

Printed Name: Nicholas C. Memmo

Title: President

GRANTEE:

PRUDENTIAL INVESTMENT MANAGEMENT, INC., as
the Collateral Agent

By: _____

Printed Name: _____

Title: Vice President

IN WITNESS WHEREOF, each of the parties has caused this Grant of Security Interest (Trademarks, Service Marks and Trade Names) to be duly executed by its officer(s) thereunto duly authorized as of the date first written above.

GRANTOR:

RAYNE CORPORATION, a California corporation

By: _____

Printed Name: Nicholas C. Memmo

Title: President

GRANTEE:

PRUDENTIAL INVESTMENT MANAGEMENT, INC., as
the Collateral Agent

By:  _____ 

Printed Name: Mitchell W. Reed

Title: Vice President

SCHEDULE A
U.S. TRADEMARKS

REGISTRATION NO.	MARK	REGISTRATION DATE
2466922	FOR THE WATER IN YOUR LIFE	7/10/01
0879932	Design only (water droplets)	11/4/69 (Renewed - 11/4/89)
0700965	RAYNE (Stylized)	7/12/60 (Renewed - 7/12/00)
0844761	RAYNE	2/20/68 (Renewed - 2/20/88)
0844760	RAYNE WATER CONDITIONING & Design	2/20/68 (Renewed - 2/20/88)

SCHEDULE B

PENDING U.S. TRADEMARKS

REGISTRATION No.	MARK	APPLICATION DATE
	N/A	

B-5

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