

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT																																													
NATURE OF CONVEYANCE:	SECURITY INTEREST																																													
CONVEYING PARTY DATA																																														
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Registration Number:	2804183	K2 BY KINETICO
Registration Number:	2757820	SCALE SCUM
Registration Number:	2290063	KINETICO
Registration Number:	2452304	PROTECTING THE WATER YOU DRINK
Registration Number:	2390156	
Registration Number:	2274797	MACGUARD
Registration Number:	2451142	WHERE THE WORLD TURNS FOR WATER
Registration Number:	2971408	PUREFECTA
Registration Number:	2237102	KINETICO
Registration Number:	1789920	
Registration Number:	1040527	KINETICO
Registration Number:	2610666	PUREMOMETER
Registration Number:	2517150	QUICKFLO DRINKING WATER STORAGE TANK
Registration Number:	2455643	
Registration Number:	1543404	KINETICO
Registration Number:	1445796	MACROLITE
Registration Number:	3071450	OVERDRIVE
Registration Number:	2826220	KINETICO
Registration Number:	1292116	TANNIN PLUS +
Registration Number:	2909136	MACH
Registration Number:	2706918	KINETICO WATER SOLUTIONS FOR A CHANGING WORLD
Registration Number:	2636857	K2 BY KINETICO
Registration Number:	2228865	KINETICO

CORRESPONDENCE DATA

Fax Number: (617)574-7713
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 6175746526
 Email: djanis@goulstonstorrs.com
 Correspondent Name: Daniel T. Janis
 Address Line 1: 400 Atlantic Avenue
 Address Line 2: Goulston & Storrs
 Address Line 4: Boston, MASSACHUSETTS 02110

ATTORNEY DOCKET NUMBER:	07863.0059-1879
NAME OF SUBMITTER:	Andrew Nash
Signature:	/Andrew Nash/

TRADEMARK

REEL: 003318 FRAME: 0437

Date:

05/31/2006

Total Attachments: 30

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PATENT AND TRADEMARK SECURITY AGREEMENT

PATENT AND TRADEMARK SECURITY AGREEMENT, dated as of May 31, 2006 between KINETICO INCORPORATED, an Ohio corporation, Hi-Tech Water, Inc., a Delaware corporation ("Borrower" and, together with Kinetico Incorporated, the "Borrowers") and BANK OF AMERICA, N.A., a national banking association, as administrative agent (hereinafter, in such capacity, the "Administrative Agent") for itself and other lending institutions (hereinafter, collectively, the "Lenders") which are or may become parties to that certain Credit Agreement dated as of May 31, 2006 (as amended and in effect from time to time, the "Credit Agreement"), by and among the Borrowers, the Lenders and the Administrative Agent.

WHEREAS, it is a condition precedent to the Lenders' making any loans or otherwise extending credit to the Borrowers under the Credit Agreement that the Borrowers execute and deliver to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, a patent and trademark security agreement substantially in the form hereof;

WHEREAS, each Borrower has executed and delivered to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, the Security Agreement (as defined in the Credit Agreement), pursuant to which each Borrower has granted to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, a security interest in all of such Borrower's properties, assets and rights to secure the payment and performance of the Obligations (as defined in the Credit Agreement);

WHEREAS, this Patent and Trademark Security Agreement is supplemental to the provisions contained in the Security Agreement;

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Each Borrower hereby grants, assigns, transfers and conveys to the Administrative Agent, for the benefit of itself and the Secured Parties, as collateral security for the payment and performance in full of the Obligations, a continuing security interest in and lien on its Patents (as hereinafter defined) and Trademarks (as hereinafter defined).

In addition, with respect to the Trademarks, each Borrower has executed in blank and delivered to the Administrative Agent an assignment of federally registered trademarks in substantially the form of Exhibit 1 hereto (the "Assignment of Marks"), and, with respect to the Patents, each Borrower has executed in blank and delivered to the Administrative Agent an assignment of patents, patent applications and related patent property in substantially the form of Exhibit 2 hereto (the "Assignment of Patents").

Each Borrower hereby authorizes the Administrative Agent or any Secured Party, on the Closing Date, to record this Patent and Trademark Security Agreement with the U.S. Patent and Trademark Office and, upon the occurrence and during the continuance of an Event of Default and the proper exercise of the Administrative Agent's or the Secured Parties' remedies under this Patent and Trademark Security Agreement and under the Credit Agreement and the Security Agreement, to complete as assignee either or both of the Assignment of Marks and the Assignment of Patents. In addition to, and not by way of limitation of, the foregoing grant of rights to complete and record assignments of the Trademarks and Patents, each Borrower grants, assigns, transfers, conveys and sets over to the Administrative Agent and the Secured Parties such Borrower's entire right, title and interest in and to the Trademarks and the Patents; provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (a) after the occurrence and during the continuance of an Event of Default and (b) either (i) upon the written demand of the Administrative Agent at any time during such continuance or (ii) immediately and automatically (without notice or action of any kind by the Administrative Agent or the Secured Parties) upon an Event of Default for which acceleration of the any amounts outstanding under the Credit Agreement is automatic under the Credit Agreement or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Credit Agreement or the Security Agreement and applicable law (including the transfer or other disposition of the Collateral by any Borrower to the Administrative Agent or the Secured Parties or their nominees in lieu of foreclosure).

Capitalized terms used but not defined herein shall have the respective meanings assigned thereto in the Credit Agreement.

The following terms, as used herein, have the meanings set forth below:

"Patents" means, with respect to any Borrower, collectively, all of the following now owned or hereafter created or acquired by such Borrower or any of its Domestic Subsidiaries: (a) all patents, patent applications and Patent Licenses (as defined below), including, without limitation, those listed on Schedule A hereto, which issue or have issued in any country or jurisdiction upon any patent applications which correspond with any of such patents or patent applications; (b) all letters patent of the United States, and all applications for letters patent of the United States; (c) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing which issue or have issued in any country or jurisdiction; (d) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (e) the right to sue for past, present and future infringements of any of the foregoing; (f) all rights corresponding to any of the foregoing throughout the world; and (g) all goodwill associated with any of the foregoing.

"Patent License" means, with respect to any Borrower, any oral or written agreement now or hereafter in existence granting to such Borrower or any of its Domestic Subsidiaries any right to use any invention on which a patent or patent application is in

existence, all as may be amended, supplemented or otherwise modified from time to time, including, without limitation, those listed on Schedule A hereto.

“Secured Parties” means the Lenders, together with their successors and assigns.

“Trademarks” means, with respect to any Borrower, collectively, all of the following now owned or hereafter created or acquired by such Borrower or any of its Domestic Subsidiaries: (a) all trademarks, Trademark Licenses (as defined below), trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof in the United States or any state in the United States, and all applications in connection therewith, including, without limitation, those listed on Schedule B hereto, whether or not any of the foregoing is registered or the subject of an application for registration under federal law, state law or otherwise; (b) all renewals thereof; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing.

“Trademark License” means, with respect to any Borrower, any oral or written agreement now or hereafter in existence granting to such Borrower or any of its Domestic Subsidiaries any right to use any trademark or trademark application, all as may be amended, supplemented or otherwise modified from time to time, including, without limitation, those listed on Schedule B hereto.

Each Borrower represents and warrants to and agrees with the Secured Parties as follows:

1. Each Borrower is the sole owner in the United States and all other applicable jurisdictions of the entire right, title and interest in and to each of its Patents and Trademarks, free from any mortgage, pledge, lien, security interest, charge, adverse claim or other encumbrance including, without limitation, licenses, shop rights (with regard to the Patents) and covenants not to sue, except the security interest herein granted and as otherwise permitted by the Credit Agreement. As of the date of this Agreement, no claim has been made that the use of its Patents or Trademarks does or may violate the rights of any third person and, to the best of Borrowers' knowledge, there is no infringement by any Borrower of the patent or trademark rights of others. The Borrowers shall have the duty to promptly notify the Secured Party of any such claim or infringement and the details thereof.

2. As of the date hereof, each of the Patents and Trademarks listed on Schedules A and B is valid and enforceable and, together, they constitute all patents,

patent applications, trademarks and service marks now owned or used by the Borrowers. As of the date hereof, the Patents and Trademarks listed on Schedules A and B constitute all of the trademarks, service marks, trade names, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of the business of the Borrowers.

3. As of the date hereof, the Patents and Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part.

4. The execution, delivery and performance of this Agreement are within the power of each Borrower and have been duly authorized by all necessary corporate action and do not contravene any law, rule, regulation or any judgment, decree or order of any tribunal or of any agreement to which any Borrower is a party or by which any of its property is bound.

5. Each Borrower shall (i) prosecute diligently any patent applications of its Patents and trademark registration applications of the Trademarks pending as of the date of this Agreement or thereafter, (ii) apply for unpatented but reasonably patentable inventions and (iii) preserve and maintain all rights in its Patents and Trademarks, except if the Borrowers determine in their reasonable discretion that such Patent or Trademark is no longer material or useful to their business or operations. Any expenses incurred in connection with such applications and actions shall be borne by the Borrowers. No Borrower shall abandon any filed patent application or trademark registration, or abandon any pending patent application or any trademark registration without the consent of the Administrative Agent, which consent shall not be unreasonably withheld, except, in each case, if the Borrowers determine in their reasonable discretion that such patent application or trademark registration is no longer material or useful to their business or operations.

6. Except for patents and trademarks no longer material or useful to the business or operations of the Borrowers, each Borrower shall take all reasonably necessary steps to defend the Patents and Trademarks against all claims and demands of all persons at any time claiming the same or any interests in and to the Patents and Trademarks adverse to the Secured Parties. Until the Obligations shall have been satisfied in full, the no Borrower shall pledge, mortgage or create or suffer to exist a security interest in, or enter into any license, sublicense or other agreement relating to the use of, any of the Patents and Trademarks, without the Administrative Agent's prior consent, except for the security interests granted hereby and liens permitted under the Credit Agreement.

7. Each Borrower shall, at its sole expense, promptly apply for and obtain all renewals or extensions of its Patents and Trademarks to the full extent permitted by law except to the extent, in the Borrowers' reasonable discretion, exercised in good faith, such renewal or extension is not reasonable, prudent or beneficial to the Borrowers or their operations. If, before all Obligations have been satisfied in full, a Borrower shall obtain rights to any new patentable inventions, or become entitled to the benefit of any

patent application, patent for any reissue, or of any patent improvement, or if such Borrower develops any new trademark or service mark, such Borrower shall give the Secured Party prompt written notice of all such patents, trademarks, service marks, extensions and renewals, and the provisions of this Agreement shall automatically apply thereto. Each Borrower authorizes the Administrative Agent to modify this Agreement, without the necessity of the Borrowers' further approval or signature, by amending Schedule A and Schedule B to include any new patents, any divisions, continuations, renewals, extensions, continuations-in-part on any patent, and any new trademark, service mark or renewal thereof of any Borrower applied for and obtained hereafter.

8. Each Borrower shall promptly notify the Administrative Agent of the institution of, and any adverse determination in, any proceeding in the United States Patent and Trademark Office or any other foreign or domestic governmental agency, court or body, regarding such Borrower's claim of ownership in any of the Patents and Trademarks which could reasonably be expected to have a Material Adverse Effect on such Borrower. In the event of any material infringement by a third party of any of the Patents or Trademarks, the applicable Borrower shall promptly notify the Administrative Agent of such infringement and shall take all reasonably necessary actions to obtain the cessation of such infringement and recover all damages resulting therefrom, including, after and during the continuance of an Event of Default, such action as the Administrative Agent deems reasonably necessary. If any Borrower shall fail to take such action within two (2) months after such notice is given to the Administrative Agent, the Administrative Agent may upon notice to the Borrowers, but shall not be required to, itself take such action in the name of the applicable Borrower, and such Borrower hereby appoints the Administrative Agent the true and lawful attorney of such Borrower, for it and in its name, place and stead, on behalf of such Borrower, solely to commence judicial proceedings in any court or before any other tribunal to enjoin and recover damages for such infringement, any such damages due to any Borrower, net of costs and attorneys' fees reasonably incurred, to be applied to the Obligations.

9. Each Borrower shall, at its sole expense, do, make, execute and deliver all such additional and further acts, things, deeds, assurances, and instruments, in each case in form and substance reasonably satisfactory to the Administrative Agent, relating to the creation, validity, or perfection of the security interests and assignments provided for in this Agreement under 35 U.S.C. Section 261, 15 U.S.C. Section 1051 et seq., the Uniform Commercial Code or other laws of the United States or the state of New York or of any other countries or states as the Administrative Agent may from time to time reasonably request, and shall take all such other action as the Administrative Agent may reasonably require to more completely vest in and assure to the Administrative Agent and the Secured Parties their respective rights hereunder or in any of the Patents or Trademarks, and each Borrower hereby irrevocably authorizes the Administrative Agent or its designee, at such Borrower's expense, to execute such documents, and file such financing statements with respect thereto with or without such Borrower's signature, as the Administrative Agent may deem appropriate; provided that the Administrative Agent shall deliver to the Borrowers copies of all such financing statements. In the event that any rerecording or refiling (or the filing of any statement of continuation or assignment of

any financing statement) or any repledge or reassignment, or any other action, is required at any time to protect and preserve such security interest and assignments, the applicable Borrower shall, at its sole cost and expense, cause the same to be done or taken at such time and in such manner as may be reasonably necessary and as may be reasonably requested by the Administrative Agent.

The Administrative Agent is hereby irrevocably appointed by each Borrower as its lawful attorney and agent, with full power of substitution, to execute, deliver, record and file on behalf of and in the name of such Borrower such financing statements, assignments, pledges and other documents and agreements, and to take such other action as the Administrative Agent may deem necessary for the purpose of perfecting, protecting or effecting the security interests and assignments granted herein and effected hereby, and any liens necessary or desirable to implement or effectuate the same, under any applicable law, and the Administrative Agent is hereby authorized to file on behalf of and in the name of such Borrower at such Borrower's sole expense, such financing statements, assignments, pledges, documents, and agreements in any appropriate governmental office, provided that the Administrative Agent shall deliver to such Borrower copies of all such financing statements. After the occurrence and during the continuance of an Event of Default, the Administrative Agent may include reference to the Borrowers, the Patents and the Trademarks (and may utilize any logo or other distinctive symbol associated with Borrowers) in connection with any advertising, promotion, marketing or sale undertaken by the Administrative Agent.

In fulfilling its responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with the Patents and Trademarks, each Borrower shall hold each of the Administrative Agent and the Secured Parties harmless from any and all costs, damages, liabilities and expenses that may be incurred by the Administrative Agent or any Secured Party (other than as a result of gross negligence or willful misconduct of the Administrative Agent or any Secured Party) in connection with the Secured Parties' interest in the Patents and Trademarks or any other action or failure to act in connection with this Agreement or the transactions contemplated hereby.

10. If any Event of Default shall have occurred and be continuing, the Administrative Agent may without notice or demand declare this Agreement to be in default and the Secured Parties shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to dispose of the Patents and Trademarks at public or private sale. The Administrative Agent shall give to the Borrowers at least ten (10) days' prior written notice (which each Borrower agrees is "reasonable notification" under the Uniform Commercial Code) of the time and place of any public sale of the Patents and Trademarks or of the time after which any private sale or any other intended disposition is to be made.

If any Event of Default shall have occurred and be continuing, each Borrower hereby grants to the Secured Parties the right and exclusive license to make, have made,

use and sell the inventions and marks disclosed and claimed in the Patents and the Trademarks for the ratable benefit and account of the Administrative Agent and the Secured Parties.

To the extent permitted by applicable law, each Borrower hereby waives any and all rights that it may have to judicial hearing in advance of the enforcement of any Secured Party's rights hereunder, including, without limitation, its rights following any Event of Default to take immediate possession of the Patents and Trademarks and exercise its rights with respect thereto.

Neither the Administrative Agent nor any Secured Party shall be required to marshal any present or future security for (including, but not limited to, this Agreement and the Patents and Trademarks subject to a security interest hereunder), or guaranties of, the Obligations or any of them, or to resort to such security or guaranties in any particular order; and all of the rights hereunder and in respect of such security and guaranties shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, each Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Administrative Agent's or any Secured Party's rights under this Agreement or any other instrument evidencing any of the Obligations or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may such Borrower hereby irrevocably waives the benefits of all such laws.

11. Except for notices specifically provided for herein, each Borrower hereby expressly waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect both to the Obligations and any collateral therefor, each Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Administrative Agent may deem advisable. Neither the Administrative Agent nor and Secured Party shall have any duty as to the protection of the Patents or Trademarks or any income thereon, nor as to the preservation or rights against prior parties, nor as to the preservation of any rights pertaining thereto. The Administrative Agent or any Secured Party may exercise their rights with respect to the Patents and Trademarks without resorting or regard to other collateral or sources of reimbursement for liability. Neither the Administrative Agent nor any Secured Party shall be deemed to have waived any of their rights upon or under the Obligations or the Patents and Trademarks unless such waiver be in writing and signed by the Administrative Agent in accordance with the terms of the Credit Agreement. No delay or omission on the part of the Administrative Agent or any Secured Party in exercising any right shall operate as a waiver of any right on any future occasion. All rights and remedies of the Administrative Agent and the Secured Parties with respect to the Obligations or the Patents or Trademarks, whether evidenced hereby or by any other

instrument or papers, shall be cumulative and may be exercised singularly or concurrently.

12. The Borrowers will pay any and all (i) reasonable charges and costs and all taxes incurred in implementing or subsequently amending this Agreement, including, without limitation, recording and filing fees, appraisal fees, stamp taxes, and reasonable fees and disbursements of the Administrative Agent's counsel incurred by the Administrative Agent, in connection with this Agreement, and (ii) fees and disbursements reasonably incurred by the Administrative Agent in the preparation, execution and delivery of any waiver or consent by the Administrative Agent relating to this Agreement, and in the enforcement of this Agreement and in the enforcement or foreclosure of any liens, security interests or other rights of the Administrative Agent or the Secured Parties under this Agreement, or under any other documentation heretofore, now, or hereafter given to the Administrative Agent or the Secured Parties in furtherance of the transactions contemplated hereby. In addition, after the occurrence and during the continuation of an Event of Default, the Borrowers will also pay all reasonable costs and expenses of the Administrative Agent in connection with the enforcement of this Agreement and with the enforcement or foreclosure of any liens, security interests or other rights under this Agreement, or under any other documentation heretofore, now, or hereafter given to the Administrative Agent or the Secured Parties in furtherance of the transactions contemplated hereby.

13. Each Borrower agrees to reimburse the Administrative Agent and the Secured Parties for, and indemnify them against, any and all losses, expenses and liabilities (including liabilities for penalties) of whatever kind or nature sustained and reasonably incurred (other than as a result of the gross negligence or willful misconduct of the Administrative Agent or a Secured Party) in connection with any claim, demand, suit or legal or arbitration proceeding relating to this Agreement, or the exercise of any rights or powers hereunder, including reasonable attorneys' fees and disbursements. The Borrowers and the Administrative Agent may from time to time agree in writing to the release of certain of the Patents and Trademarks from the security interest created hereby, and, in the case of Patents or Trademarks the Borrowers propose to abandon, the Administrative Agent and the Secured Parties agree that, prior to an Event of Default, they will release their security interest in any Patent or Trademark the Borrowers propose to abandon so long as such Patent or Trademark is no longer used by the Borrowers and is not material to the operations of the Borrowers, provided that after the occurrence and during the continuance of an Event of Default, the Administrative Agent's consent will be required prior to any such release and abandonment.

14. Each Borrower shall hold the Administrative Agent and the Secured Parties harmless from any and all costs, damages and expenses which may be incurred by the Administrative Agent, a Secured Party or the Borrowers in connection with any action or failure to act by the Administrative Agent or the Secured Parties in connection with this Agreement, except those arising from the gross negligence or willful misconduct of the Secured Party.

15. Any and all rights and interests of the Administrative Agent or the Secured Parties in and to the Patents and Trademarks (and any and all obligations of the Borrowers with respect to the same) provided herein, or arising hereunder or in connection herewith, shall only supplement and be cumulative and in addition to the rights and interests of the Administrative Agent or the Secured Parties (and the obligations of the Borrowers) in, to or with respect to the Collateral provided in or arising under or in connection with the Security Agreement and the Credit Agreement and shall not be in derogation thereof.

16. THIS AGREEMENT AND ALL RIGHTS AND OBLIGATIONS HEREUNDER, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES, AND, TO THE EXTENT THAT THE LAWS OF THE UNITED STATES ARE NOT APPLICABLE, BY AND WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS). Each Borrower agrees that any suit for the enforcement of this Agreement may be brought in the courts of the State of New York or any federal court sitting therein, and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon such Borrower by mail at the address specified in the Credit Agreement. Each Borrower hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

17. All notices hereunder shall be in writing and shall be given as provided in the Credit Agreement.

18. When all Obligations have been paid in full in cash, the Commitments have terminated and no Letters of Credit shall be outstanding (or have been backstopped or cash collateralized on terms reasonably acceptable to the Administrative Agent), this Agreement shall terminate, and the Administrative Agent and the Secured Parties shall, upon request and at the Borrowers' expense, execute all such documentation necessary to release its security interest hereunder.

19. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except by a written instrument expressly referring to this Agreement and to the provisions so modified or limited, and executed by all the parties hereto.

20. This Agreement and all obligations of the Borrowers shall be binding upon the successors and assigns of the Borrowers, and shall, together with the rights and remedies of the Administrative Agent and the Secured Parties hereunder, inure to the benefit of the Administrative Agent and the Secured Parties and their successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall be in no way affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Each Borrower acknowledges receipt

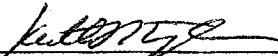
of a copy of this Agreement. Terms used herein without definition which are defined in the Uniform Commercial Code of New York have such defined meanings herein, unless the context otherwise indicates or requires.

21. EACH BORROWER AND, THE ADMINISTRATIVE AGENT AND EACH SECURED PARTY MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT AND EACH SECURED PARTY TO ENTER INTO THIS AGREEMENT AND MAKE THE LOANS. Except as prohibited by law, each Borrower waives any right which it may have to claim or recover in any litigation referred to in the first sentence of this Section 21 any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each Borrower (i) certifies that neither the Administrative Agent, any Secured Party, nor any representative, agent or attorney of the Administrative Agent or any Secured Party has represented, expressly or otherwise, that the Administrative Agent or any Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Administrative Agent or any Secured Party is a party, the Administrative Agent and each Secured Party is relying upon, among other things, the waivers and certifications in this Section 21.


(Signatures on next page)

IN WITNESS WHEREOF, each Borrower has caused this Agreement to be executed by its duly authorized officer as of this 31 day of May, 2006.

KINETICO INCORPORATED

By: 
Name: KEITH R. TOMPKINS
Title: PRESIDENT

HI-TECH WATER, INC.

By: 
Name: KEITH R. TOMPKINS
Title: PRESIDENT

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Name:
Title:

(Patent and Trademark Security Agreement Signature Page)

IN WITNESS WHEREOF, each Borrower has caused this Agreement to be executed by its duly authorized officer as of this 31 day of May, 2006.

KINETICO INCORPORATED

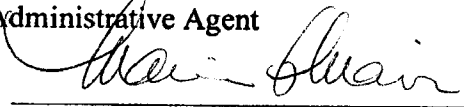
By: _____
Name: _____
Title: _____

HI-TECH WATER, INC.

By: _____
Name: _____
Title: _____

Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

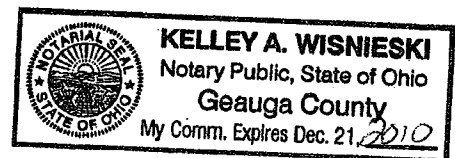
By: 
Name: MARIA F. MAIA
Title: MANAGING DIRECTOR

(Patent and Trademark Security Agreement Signature Page)

STATE OF Ohio)
) ss.
COUNTY OF Geauga)

Then personally appeared the above-named KEITH R. TOMPKINS,
who being duly sworn stated that (s)he is the PRESIDENT
of Kinetico Incorporated and the PRESIDENT of Hi-Tech Water,
Inc. and acknowledged the foregoing instrument to be the free acts and deeds of Kinetico
Incorporated and Hi-Tech Water, Inc. before me, this 26 day of May, 2006.

Kelley A. Wisnieski
Notary Public
My commission expires: 12/21/2010



(Patent and Trademark Security Agreement)

SCHEDULE A - PATENTS

(i) Active Patents

TITLE	COU	SER. NO.	FILING DATE	REG. NO.	ISSUE DATE	EXPIRATION
HOUSING FOR WATER TREATMENT SYSTEM	US	29/215354	10/18/2004	D518876	04-11-2006	04-10-2020
HOUSING FOR A WATER TREATMENT SYSTEM CONTROL VALVE	US	29/208589	06-30-2004	D511599	11-15-2005	11-15-2019
HOUSING FOR A WATER TREATMENT UNIT UPPER HOUSING FOR A WATER TREATMENT SYSTEM CONTROL VALVE	US	29/194535	11-25-2003	D501240	01-25-2005	01-25-2019
HOUSING FOR A WATER TREATMENT SYSTEM CONTROL VALVE	US	29/170001	10-30-2002	D499170	11-30-2004	11-30-2018
HOUSING FOR A WATER TREATMENT SYSTEM CONTROL VALVE	US	29/168470	10-02-2002	D495030	08-24-2004	08-24-2018
HOUSING FOR A WATER TREATMENT UNIT	US	29/181216	05-07-2003	D486882	02-17-2004	02-17-2018
HOUSING FOR A WATER TREATMENT UNIT	FR	0.25105	08-26-2002	0.25105	08-26-2002	08-26-2016
HOUSING FOR A WATER TREATMENT UNIT	US	29/167858	09-23-2002	D477856	07-29-2003	07-29-2017
HOUSING FOR A WATER TREATMENT UNIT	GB	3006390	08-21-2002	3006390	08-21-2002	08-21-2016
HOUSING FOR A WATER TREATMENT UNIT	CN	2003/30104716	10-05-2002	02345186.6	01-14-2004	01-14-2018
HOUSING FOR A WATER TREATMENT UNIT	CA	0	08-15-2002	100346	10-31-2003	10-31-2017
BLOCK SALT SOFTENER (DESIGN)	US	29/158614	04-05-2002	D472298	03-25-2003	03-25-2017
NEW BYPASS VALVE	CA	03/34379	10-29-2003	2504328	05-21-2004	10-29-2020
MEDIA WITH GERMICIDAL PROPERTIES	US	10/432557	05-22-2003	6,994,794	02-07-2006	10-11-2020
CONTROL VALVE ASSEMBLY	CA	2003/2497248	09-04-2003	2497248	03-18-2004	09-04-2020
POTASSIUM CHLORIDE REGENERATION	US	10/033355	11-01-2001	6,962,657	11-08-2005	12-04-2020
FILTER MEDIA WITH GRAFTED BIOCIDES	US	09/722911	11-27-2000	6,471,876	10-29-2002	02-23-2021
PALLADIUM RECOVERY	US	09/747459	12-22-2000	6,482,372	11-19-2002	12-22-2020
FILTERING AGGREGATE USING KITTSOON CLAY	US	09/678583	10-03-2000	6,528,446	03-04-2003	10-03-2020
FLUID TREATMENT SYSTEM	US	10/009091	03-15-2000	6,764,595	07-20-2004	03-15-2020
IMPROVED MAC FILTER	US	09/520235	03-07-2000	6,428,708	08-06-2002	03-07-2020
DOWNFLOW FAST RINSE (DFFR) FILTERING PHOTORESIST-CONTAINING LIQUID (NANOFILTER)	US	09/281989	03-29-1999	6,214,214	04-10-2001	03-29-2019
METAL OXIDE M/LITE	US	08/910244	08-12-1997	6,106,722	08-22-2000	08-12-2017
NEW TANK COUPLER	US	08/807139	02-27-1997	6,054,059	04-25-2000	02-27-2017
DUAL NOZZEL LEVEL 1	US	08/613484	03-11-1996	5,827,427	10-27-1998	03-11-2016
ACID REUSE	US	08/222077	04-01-1994	5,490,932	02-13-1996	04-01-2014
ACID REUSE	US	08/486378	06-07-1995	5,639,377	06-17-1997	04-07-2013
ACID REUSE	US	08/044186	04-07-1993	5,415,765	05-16-1995	04-07-2013
IMPROVED RUST PLUS SYSTEM	US	07/663251	03-01-1991	5,310,488	05-10-1994	03-01-2011
LARGE DI	US	07/451094	12-15-1989	5,069,779	12-03-1991	12-15-2009
BYPASS VALVE	US	07/426491	10-23-1989	4,972,877	11-27-1990	10-23-2009
REGEN. OVERRIDE (KICKSTART)	US	07/334453	04-06-1989	5,022,994	06-11-1991	04-06-2009
PURIFICATION IN METAL RECOVERY	CA	574097	08-08-1988	1,334,221	01-31-1995	08-08-2008
MEASURED BRINE VALVE	US	07/115713	11-02-1987	4,889,623	12-26-1989	11-02-2007
FILTER APPARATUS	CA	547367	09-21-1987	1,323,310	10-19-1993	09-21-2007
Apparatus and Method for Recovering Materials From Process Baths	US	90/002,765		4,863,612		
PURIFICATION IN METAL RECOVERY	US	07/083721	08-10-1987	4,863,612	09-05-1989	08-10-2007
REMOVING SELENIUM FROM WATER	US	06/884,390	07-11-1986	4,725,357	02-16-1988	07-11-2006
REMOVING SELENIUM FROM WATER	PCT-IR	1868/88				07-11-2006
REMOVING SELENIUM FROM WATER	PCT-SP	8600268		8,600,268		07-11-2006
CROSS-FLOW FILTRATION	PCT-PT	82184		82,184		11-06-2006

CROSS-FLOW FILTRATION PROCESS FOR MAKING COATED CERAMIC PARTICLES	PCT-SP	296743 Division of 4,869,960		296,743		03-29-2008
EPOXY NOVOLAC COATED CERAMIC PARTICULATE	US		05-01-1989	4,923,714	05-08-1990	09-17-2007
Ceramic Spheroids Having Low Density and High Crush Resistance	US		09-17-1987	4,869,960	09-26-1989	09-17-2007
Novolac Coated Ceramic Particulate	Australia		05-23-1986	584207		05-23-2006
Novolac Coated Ceramic Particulate	Australia		08-22-1988	605902		08-22-2008
Ceramic Spheroids Having Low Density and High Crush Resistance	CA		03-21-1995	1334814		03-21-2012
Novolac Coated Ceramic Particulate	Germany		06-12-1986	3662680-5		06-12-2006
Ceramic Spheroids Having Low Density and High Crush Resistance	Germany		09-16-1988	3888766-5		09-16-2008
Novolac Coated Ceramic Particulate	France		06-12-1986	0207668		06-12-2006
Ceramic Spheroids Having Low Density and High Crush Resistance	France		09-16-1988	0308257		09-16-2008
Novolac Coated Ceramic Particulate	United Kingdom		06-12-1986	0207668		06-12-2006
Novolac Coated Ceramic Particulate	United Kingdom		09-16-1988	0308257		09-16-2008
Novolac Coated Ceramic Particulate	Italy		09-16-1988	0308257		09-16-2008
Novolac Coated Ceramic Particulate	Netherlands		09-16-1988	0308257		09-16-2008
Novolac Coated Ceramic Particulate	Norway		09-16-1988	176514		09-16-2008

(ii) Pending Patents

TITLE	COU	PRIORITY SER. NO.	NON PROV SER. NO.	FILING DATE
RO/QUICKFLO COMBO	US	10/009091	10/894213	07-19-2004
FLUID TREATMENT SYSTEM	CA	2300949		03-15-2000
POTASSIUM CHLORIDE REGENERATION	US	10/033355	11/240410	09-30-2005
NEW BYPASS VALVE	US	60/422382	10/533097	10-30-2002
PREFILTER XBOX	US	60/625541	pct/us2005/040178	11-05-2004
MULTIPLE BARRIER FILTER APPARATUS	US		10/433495	05-30-2003
MULTIPLE BARRIER FILTER APPARATUS	PCT	03/06419		03-04-2003
MULTIPLE BARRIER FILTER APPARATUS	CA			08-12-2004
MULTIPLE BARRIER FILTER APPARATUS	EP	3713845.0		08-12-2004
MULTIPLE BARRIER FILTER APPARATUS	IN	2415/DELNP		08-12-2004
MULTIPLE BARRIER FILTER APPARATUS	MX	008560		08-12-2004
HOUSING FOR A WATER TREATMENT UNIT	CA	103472		08-15-2002
HOUSING FOR A WATER TREATMENT UNIT	CN	200330104716		10-25-2002
NEW NOZZEL DESIGN	US	60/406545	10/525542	08-28-2002
NEW NOZZEL DESIGN	PCT	03/26456		08-22-2003
NEW NOZZEL DESIGN	GB	2410540		
NEW NOZZEL DESIGN	EP	504768.3 60/408487 & 60/415,606	10/525543	09-04-2002
NEW CONTROL VALVE FOR INDUSTRIAL CONTROL VALVE FOR INDUSTRIAL APPLICATIONS	US			09-04-2002
CONTROL VALVE FOR INDUSTRIAL APPLICATIONS	US	60/415606	see 16-219	10-02-2002
CONTROL VALVE ASSEMBLY	US	03/27827		09-04-2003
CONTROL VALVE ASSEMBLY	EP	2003/03752022		
TWO INCH VALVE IN CANADA	CA	104479		10-03-2003
TWO INCH VALVE IN CHINA	CN	200330100989		10-08-2003
TWO INCH VALVE IN EPO	EP	82938		--

HOUSING FOR WATER TREATMENT SYSTEM	US	29/244673		12-13-2005
HOUSING FOR WATER TREATMENT SYSTEM	CA	104125		08-28-2003
NEW FILTER MEDIA	US	60/559828	pct/us2005/11439	04-06-2004
NEW FILTER MEDIA	US		11/247675	10-11-2005
SALT ALARM	US	60/624868	pct/us2005/040179	11-04-2004
REVERSE PERMEATE FLUSH	PCT			12-01-2005
DIN PRODUCT	PCT			02-28-2006
GEAR ALIGNMENT CLIP	PCT			TBD
TBD	US	Pending	Pending	
EDI	PCT			TBD

SCHEDULE B - TRADEMARKS

KINETICO TRADEMARK LIST AS OF MAY 17, 2006

FILE NO.	TITLE	ST	COU	SER. NO.	FILING DAT	REG. NO.	DATE #1	DATE #2
7-572AR	KINETICO	I	AR	1970049	04-04-1995	1588257	01-12-1996	01-12-2006
7-572AU	KINETICO (CL 11)	I	AU	503279	01-19-1989	A503279	11-02-1990	01-19-2016
7-572BG	KINETICO	I	BG	41058	01-22-1998	33999	09-11-1998	01-22-2008
7-572BN	KINETICO	I	BN		- -	19790	08-08-1994	08-08-2001
7-572BR2	KINETICO (CL 20)	I	BR	818605510	06-20-1995	818605510	10-28-1997	10-28-2007
7-572BR1	KINETICO (CL 7)	I	BR	818605502	06-20-1995	818605502	10-28-1997	10-28-2007
7-572BS1	KINETICO (CL 18)	I	BS	20393	03-09-1998	20393	07-15-1998	03-09-2012
7-572BS2	KINETICO (CL 50)	I	BS	20394	03-09-1998	20394	07-15-1998	03-09-2012
7-572BY	KINETICO	I	BY	971464	09-02-1997	12137	04-10-2000	09-02-2007
14-196CA	EVERCLEAN & DESIGN	I	CA	857561	10-01-1997	547413	06-28-2001	06-28-2016
14-199CA	GIRL DRINKING WATER DESIGN	I	CA	857560	10-01-1997	535600	10-24-2000	10-24-2015
15-785CA	K2 BY KINETICO	I	CA	1107789	06-26-2001	TMA616265	08-04-2004	08-04-2019
7-572CA	KINETICO	I	CA	487878	08-07-1984	281135	07-08-1983	07-08-1998
15-712CA	KINETICO & DESIGN	I	CA	1147894	07-24-2002	TMA620638	09-24-2004	10-07-2003
11-306CA	KINETICO LOGO	I	CA	703677	04-24-1992	433608	09-23-1994	09-23-2009
14-197CA	MAC DESIGN	I	CA	857559	10-01-1997	517435	09-30-1999	09-30-2014
13-616CA	MACROLITE	I	CA	1159640	11-20-2002	TMA654478	12-06-2005	12-06-2020
16-213CA	PUREFECTA	I	CA	1159465	11-19-2002	TMA618848	09-08-2004	09-08-2019
15-940CA	PUREMOMETER	I	CA	1116309	09-21-2001	TMA592576	10-17-2003	10-17-2018
15-829CA	QUICKFLO (STYLIZED)	I	CA	1107784	- -	TMA618165	08-31-2004	08-31-2019
11-352CA	WATERPLANT & DESIGN	I	CA	622353	01-03-1989	TMA369735	06-22-1990	06-22-2005
14-137CA	WHERE THE WORLD TURNS FOR WATER	I	CA	830982	12-06-1996	505928	12-29-1998	12-29-2013
16-859CA	EVERLCEAN IN CANADA	P	CA	1276303	10-19-2005		10-12-2005	11-01-2005
16-928CA	HYDRUS IN CANADA	P	CA	1292444	03-06-2006		12-15-2005	03-15-2006
16-803CA	K KINETICO (HORIZONTAL MARK)	P	CA	1283525	- -		12-08-2005	01-03-2006
15-713CA	KINETICO & DESIGN	P	CA	1147894	07-24-2002		05-17-2002	06-14-2004
16-456CA	MACH STYLIZED IN CANADA	P	CA	1197944	11-24-2003		08-18-2003	12-22-2003
16-769CA	REINVENTING WATER (STYLIZED)	P	CA	1249592	03-07-2005		03-03-2005	08-31-2005
16-874CA	ARSENIC GUARD	W	CA		- -		11-04-2005	12-01-2005
7-572CL	KINETICO	I	CL	494433	07-24-2000	590800	02-23-2001	02-23-2011
7-572CN	KINETICO	I	CN	960016612	01-25-1996	1036493	06-21-1997	06-21-2007
15-667CN	KINETICO (CHINESE CHARACTERS)	P	CN	2000087248	- -		05-01-2000	11-27-2000
16-928CN	HYDRUS IN CN	W	CN		- -		02-02-2006	02-07-2006
7-572CO	KINETICO	I	CO	00053131	07-14-2000	236681	06-20-2001	06-20-2011
14-199CTM	GIRL DRINKING WATER	I	CTM	3179926	05-23-2003	3179926	12-17-2004	05-23-2013
15-713CTM	KINETICO & DESIGN (CL 11 30 32)	I	CTM	002031482	01-08-2001	002031482	02-28-2002	01-08-2011
15-712CTM	KINETICO & DESIGN (CL 11 30 32)	I	CTM	002031623	01-08-2001	2031623	08-12-2002	01-08-2011
7-572CTM	KINETICO (CL 11 & 37)	I	CTM	198382	04-01-1996	198382	04-07-1999	04-01-2006
11-306CTM	KINETICO LOGO (CL 11 & 37)	I	CTM	198416	04-01-1996	198416	04-07-1999	04-01-2006

KINETICO TRADEMARK LIST AS OF MAY 17, 2006-CONTINUED

FILE NO.	TITLE	ST	COU	SER. NO.	FILING DAT	REG. NO.	DATE #1	DATE #2
16-456CTM	MACH STYLIZED IN CTM	I	CTM	3525102	- -	3525102	04-22-2005	12-01-2013
16-213CTM	PUREFECTA	I	CTM	002937571	11-18-2002	2937571	10-04-2004	11-18-2012
15-940CTM	PUREMOMETER	I	CTM	002374742	09-13-2001	2374742	12-10-2002	09-13-2011
15-829CTM	QUICKFLO (STYLIZED)	I	CTM	2270692	06-21-2001	2270692	02-03-2003	06-21-2011
11-639CTM	WATER DROPLET LOGO	I	CTM	419234	12-06-1996	419234	01-05-2000	12-06-2006
16-859CTM	EVERLCEAN IN CTM	P	CTM	004678397	- -		10-17-2005	12-21-2005
16-803CTM	K KINETICO (HORIZONTAL MARK)	P	CTM	004792719	12-20-2005		12-08-2005	12-29-2005
15-785CTM	K2 BY KINETICO	P	CTM	002270825	06-21-2001		04-17-2001	08-29-2001
16-491CTM	OVERDRIVE	P	CTM	3593688	01-19-2004		12-23-2003	11-15-2004
16-769CTM	REINVENTING WATER (STYLIZED)	P	CTM	004359121	04-26-2005		03-11-2005	06-28-2005
16-928CTM	HYDRUS IN CTM	W	CTM		- -		12-15-2005	12-16-2005
7-572CZ	KINETICO	I	CZ	112310	06-20-1996	206293	12-30-1997	06-20-2006
7-572DE	KINETICO	I	DE	K49197/11	12-11-1985	1092708	06-13-1986	12-31-2005
7-572DK	KINETICO (CL 11)	I	DK	0200/89	01-12-1989	VR02874	05-04-1990	05-04-2010
7-572EC	KINETICO	I	EC	68409	05-08-1996	4721-97	12-08-1997	12-08-2007
14-199FR	GIRL DRINKING WATER DESIGN	I	FR	13124462	10-05-2001	13124462	10-05-2001	10-05-2011
14-199GB	GIRL DRINKING WATER DESIGN	I	GB	2282162	10-02-2001	2282162	10-02-2001	10-02-2011
7-572GB1	KINETICO	I	GB	1227134	09-26-1984	1227134	09-26-1984	09-26-2015
7-572GB	KINETICO	I	GB	1176786	06-15-1982	1176786	06-15-1982	06-15-2003
9-126GB	MINI-KINETIC	I	GB	1237446	03-08-1985	B1237446	09-05-1986	03-08-2016
11-352GB	WATERPLANT & DESIGN (CL 11)	I	GB	1369378	01-06-1989	B1369378	08-15-1988	08-15-2005
7-572GT	KINETICO INCORPORATED	I	GT	1998-09139	11-19-1998	95638	05-13-1999	05-13-2009
7-572HK	KINETICO	I	HK	95/15955	12-18-1995	4065/98	04-28-1998	12-17-2016
7-572HN	KINETICO	I	HN	12335/98	10-20-1998	89929	02-06-2004	02-06-2014
7-572HU	KINETICO	I	HU	M9601963	06-18-1996	149392	03-11-1998	06-18-2006
7-572INDO	KINETICO	I	ID	9511622	07-05-1995	366601	08-30-1996	01-05-2005
7-572IL	KINETICO (CL 11)	I	IL	87099	04-16-1993	87099	05-10-1995	04-16-2014
7-572IN	KINETICO	I	IN	701232	- -	701232	03-11-2003	03-11-2013
16-928IN	HYDRUS IN INDIA	W	IN		- -		02-02-2006	02-07-2006
7-572JM	KINETICO	I	JM	11/488	06-30-2000	37475	07-18-2001	06-30-2007
7-572JP	KINETICO (CL 11)	I	JP	7-6706	01-30-1995	3369762	06-26-1998	06-26-2008
7-572KR1	KINETICO (CL 18)	I	KR	92-1341	01-21-1992	260463	04-07-1993	04-07-2013
7-572KR2	KINETICO (CL 38)	I	KR	92-1342	01-21-1992	259034	03-04-1993	03-04-2013
7-572MX	KINETICO	I	MX	137852	04-15-1992	433928	05-06-1993	04-15-2012
7-572MY	KINETICO	I	MY	94-08432	09-16-1994	94008432	07-15-2002	09-16-2011
7-572NI	KINETICO	I	NI	98-03903	10-16-1998	41417	06-25-1999	06-24-2009
7-572NZ	KINETICO (CL 11)	I	NZ	212675	09-05-1991	212675	09-05-1991	09-05-2012
7-572PA	KINETICO (CL 11)	I	PA	092963	03-13-1998	92963	01-14-2000	03-13-2008
7-572PE	KINETICO	I	PE	112149	08-17-2000	67558	11-13-2000	11-13-2010
7-572PH	KINETICO	I	PH	99658	04-12-1995	101803	04-12-2000	04-12-2020

KINETICO TRADEMARK LIST AS OF MAY 17, 2006-CONTINUED

FILE NO.	TITLE	ST	COU	SER. NO.	FILING DAT	REG. NO.	DATE #1	DATE #2
7-572PO	KINETICO	I	PO	Z-161063	06-18-1996	110179	11-10-1999	06-18-2006
7-572RO	KINETICO	I	RO	10997	01-21-1998	32087	01-01-1998	01-01-2008
7-572RU	KINETICO	I	RU	97713302	09-05-1997	172157	02-11-1999	09-05-2007
7-572SG	KINETICO	I	SG	748/96	01-20-1996	T96/00748J	03-27-1999	01-20-2016
7-572SK	KINETICO	I	SK	1657-96	06-21-1996	184757	03-15-1999	06-21-2006
7-572SV	KINETICO	P	SV	11998008116	12-22-1998		08-26-1998	03-08-1999
7-572TH	KINETICO	I	TH	330858	03-21-1997	77811	09-10-1998	03-21-2007
7-572TR	KINETICO	I	TR		- -	160644	05-31-1995	05-31-2015
15-712TW1	KINETICO & DESIGN (CL 11)	I	TW	(90)521	01-08-2001	1052326	08-01-2003	01-31-2013
15-713TW3	KINETICO & DESIGN (CL 32)	I	TW	(90)516	01-08-2001	1024474	11-16-2002	11-15-2011
15-712TW3	KINETICO & DESIGN (CL 32)	I	TW	(90)519	01-08-2001	972665	11-16-2001	11-15-2011
15-713TW1	KINETICO & DESIGN (CL 11)	I	TW	(90)518	01-08-2001	1052325	08-01-2003	01-31-2013
15-712TW2	KINETICO & DESIGN (CL 30)	I	TW	(90)520	01-08-2001	972279	11-16-2001	11-15-2011
15-713TW2	KINETICO & DESIGN (CL 30)	I	TW	(90)517	01-08-2001	1024321	11-16-2002	11-15-2011
7-572TW1	KINETICO (CL 84)	I	TW	81030665	06-23-1992	00607218	08-01-1993	07-31-2003
7-572TW2	KINETICO (CL 88)	I	TW	81030666	06-23-1992	00585625	03-01-1993	01-31-2013
7-572UA	KINETICO	I	UA	97092783	09-03-1997	18679	02-15-2001	09-03-2007
14-198ITU	E C DESIGN (MISC) (CL 11)	I	US	75/307069	06-11-1997	2442954	04-10-2001	04-10-2011
14-196ITU	EVERCLEAN & DESIGN (CL 11)	I	US	75/260848	03-20-1997	2243380	05-04-1999	05-04-2009
15-785ITU	K2 & DESIGN	I	US	76/196230	01-18-2001	2636857	10-15-2002	10-15-2012
15-785-1	K2 BY KINETICO	I	US	76/423456	06-20-2002	2804183	01-13-2004	01-13-2014
7-572	KINETICO	I	US	69335	11-17-1975	1040527	06-01-1976	06-01-1996
12-689	KINETICO	I	US	74/264487	04-10-1992	1738205	12-08-1992	12-08-2012
15-713D1	KINETICO & DESIGN	I	US	76/976040	07-05-2003	2826220	03-23-2004	03-23-2014
15-712ITU	KINETICO & DESIGN	I	US	76/082969	07-05-2000	2640478	10-22-2002	10-22-2012
15-712-1	KINETICO & DESIGN (CL 11 & 30)	I	US	76/423700	06-20-2002	2706918	04-15-2003	04-15-2013
11-306	KINETICO & DESIGN (CL 11)	I	US	73/739622	07-13-1988	1543404	06-13-1989	06-13-2009
14-786	KINETICO (CL 11)	I	US	75/517356	07-13-1998	2290063	11-02-1999	11-02-2009
14-136ITU	KINETICO (CL 30)	I	US	75/121995	06-19-1996	2237102	04-06-1999	04-06-2009
14-729	KINETICO (CL 32)	I	US	75/471150	04-21-1998	2228865	03-02-1999	03-02-2009
14-199ITU	KINETICO INCORPORATED MISC DES	I	US	75/310422	06-11-1997	2455643	05-29-2001	05-29-2011
14-197ITU	MAC DESIGN (CL 11)	I	US	75/306856	06-11-1997	2390156	09-26-2000	09-26-2010
14-195ITU	MACGUARD (CL 11)	I	US	75/258176	03-17-1997	2274797	08-31-1999	08-31-2009
16-456	MACH (STYLIZED)	I	US	76/521820	06-02-2003	2909136	12-07-2004	12-07-2014
13-616	MACROLITE (CL 1)	I	US	625242	10-14-1986	1445796	07-07-1987	07-07-2007
14-605	PROTECTING THE WATER YOU DRINK &	I	US	75/415016	01-07-1998	2452304	05-22-2001	05-22-2011
16-213	PUREFECTA	I	US	76/412725	05-24-2002	2971408	07-19-2005	07-19-2015
15-940ITU	PUREMETER	I	US	76/268304	06-07-2001	2610666	08-20-2002	08-20-2012
15-829	QUICK FLO (STYLIZED)	I	US	76/195762	01-18-2001	2517150	12-11-2001	12-11-2011
9-627	TANNIN PLUS & DESIGN	I	US	445000	09-23-1983	1292116	08-28-1984	08-28-2014

KINETICO TRADEMARK LIST AS OF MAY 17, 2006-CONTINUED

FILE NO.	TITLE	ST	COU	SER. NO.	FILING DAT	REG. NO.	DATE #1	DATE #2
14-575	WATER DROPLET STRIP - BOX (CL 11)	I	US	75/414798	01-07-1998	2282711	10-05-1999	10-05-2009
14-493	WATER DROPLET STRIPE (CL 37)	I	US	75/389388	11-13-1997	2422485	01-23-2001	01-23-2011
11-639	WATER STRIPING (CL 42)	I	US	74/164765	05-08-1991	1789920	08-24-1993	08-24-2013
11-352	WATERPLANT & DESIGN (CL 11)	I	US	73/745989	08-15-1988	1531853	03-28-1989	03-28-2009
14-137ITU	WHERE THE WORLD TURNS FOR WATER	I	US	75/121996	06-19-1996	2451142	05-15-2001	05-15-2011
16-824	AQUA-KINETIC	P	US	76/633876	03-21-2005		03-18-2005	04-05-2005
16-874	ARSENIC GUARD	P	US	76/638754	05-17-2005		05-13-2005	05-26-2005
16-945	GIRL DRINKING WATER	P	US	76/652258	12-21-2005		10-12-2005	01-04-2006
16-928ITU	HYDRUS	P	US	78/710306	09-09-2005		09-09-2005	09-10-2005
16-803	K KINETICO	P	US	76/641349	06-22-2005		01-27-2005	07-01-2005
16-491	OVERDRIVE	I	US	76/532121	07-21-2003	3071450	03-21-2006	03-21-2016
16-769	REINVENTING WATER (STYLIZING)	P	US	76/617632	10-26-2004		10-22-2004	11-01-2004
16-859	EVERCLEAN	P	US	76/637431	04-29-2005		04-29-2005	05-16-2005
16-560	ULTRASORB (STYLIZED)	P	US	78/336161	12-04-2003		10-15-2003	05-13-2004
7-572VE	KINETICO	P	VE	2000-012860	07-25-2000		05-19-2000	10-23-2000

Report Completed on 05-17-2006 at 12:03:15

EXHIBIT 1

ASSIGNMENT OF TRADEMARKS AND SERVICE MARKS (U.S.)

WHEREAS, [Kinetico Incorporated] [Hi-Tech Water, Inc.], a corporation organized and existing under the laws of the State of [Ohio] [Delaware], having a principal place of business and its chief executive offices at [] (the "Assignor"), has adopted and used and is using the trademarks and service marks (the "Marks") identified on the Annex hereto, and is the owner of the registrations of and pending registration applications for such Marks in the United States Patent and Trademark Office identified on such Annex; and

WHEREAS, _____, a _____ having a place of business at _____ (the "Assignee"), is desirous of acquiring the Marks and the registrations thereof and registration applications therefor;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Marks, together with (a) the registrations of and registration applications for the Marks, (b) the goodwill of the business symbolized by and associated with the Marks and the registrations thereof, and (c) the right to sue and recover for, and the right to profits or damages due or accrued arising out of or in connection with, any and all past, present or future infringements or dilution of or damage or injury to the Marks or the registrations thereof or such associated goodwill.

This Assignment of Trademarks and Service Marks (U.S.) is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Trademarks and Service Marks (U.S.) below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has executed this assignment, as an instrument under seal, on this ____ day of _____, 20__.

[KINETICO INCORPORATED]
[HI-TECH WATER, INC.]

By: _____
Name: _____
Title: _____

The foregoing assignment of the Marks and the registrations thereof and registration applications therefor by the Assignor to the Assignee is hereby accepted as of the ____ day of _____, 20__.

By: _____
Name: _____
Title: _____

STATE OF _____

)

) ss.

COUNTY OF _____

)

On this the ____ day of _____, 20__, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of [Kinetico Incorporated] [Hi-Tech Water, Inc.] and that being duly authorized (s)he signed such instrument as a free act on behalf of [Kinetico Incorporated] [Hi-Tech Water, Inc.].

Notary Public

My commission expires:

ANNEX

Trademark
or
Service Mark

Registrations
United States Patent and Trademark Office
Registration No. Registration Date

TRADEMARKS

<u>Trademark</u>	<u>Owner</u>	<u>Status in Trademark Office</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>

Trademark
or
Service Mark

Registrations
United States Patent and Trademark Office
Serial No. Filing Date

TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Owner</u>	<u>Status in Trademark Office</u>	<u>Serial Number</u>	<u>Filing Date</u>

EXHIBIT 2

ASSIGNMENT OF PATENTS

WHEREAS, [Kinetico Incorporated] [Hi-Tech Water, Inc.], a corporation organized and existing under the laws of the State of [Ohio] [Delaware], having a principal place of business and its chief executive offices at [] (the "Assignor"), owns the patents, patent applications and related patent property (the "Patents") identified on the Annex hereto; and

WHEREAS, _____, a _____ having a place of business at _____ (the "Assignee"), is desirous of acquiring the Patents;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the Assignor does hereby assign, sell and transfer unto the Assignee all right, title and interest in and to the Patents and to any and all continuations, continuations in-part, divisions, patents of addition, renewals, extensions, foreign counterparts, utility models, reexaminations and reissues of any of said Patents for the full term thereof, this assignment including the Assignor's entire right to bring suit and recover damages for past infringement of any of said Patents and to assert any claim, action or cause of action that may have arisen prior to the date of this assignment or thereafter under any of said Patents.

This Assignment of Patents is intended to and shall take effect as a sealed instrument at such time as the Assignee shall complete this instrument by inserting its name in the second paragraph above and signing its acceptance of this Assignment of Patents below.

IN WITNESS WHEREOF, the Assignor, by its duly authorized officer, has
executed this assignment, as an instrument under seal, on this ____ day of _____,
20__.

[KINETICO INCORPORATED]
[HI-TECH WATER, INC.]

By: _____
Name: _____
Title: _____

The foregoing assignment of the Patents by the Assignor to the Assignee is
hereby accepted as of the ____ day of _____, 20__.

By: _____
Name: _____
Title: _____

STATE OF _____

)

) ss.

COUNTY OF _____

)

On this the ____ day of _____, 20__, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of [Kinetico Incorporated] [Hi-Tech Water, Inc.] and that being duly authorized (s)he signed such instrument as a free act on behalf of [Kinetico Incorporated] [Hi-Tech Water, Inc.].

Notary Public

My commission expires:

ANNEX

Patent

Registrations
United States Patent and Trademark Office
Patent No.

Patent

Applications
United States Patent and Trademark Office
Patent Application No.