

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
Pleatco, LLC		11/17/2006	LIMITED LIABILITY COMPANY: NEW YORK
RECEIVING PARTY DATA			
Name:	Merion Investment Partners, L.P.		
Street Address:	700 South Henderson Road		
Internal Address:	Merion Building Suite 210		
City:	King of Prussia		
State/Country:	PENNSYLVANIA		
Postal Code:	19406		
Entity Type:	LIMITED PARTNERSHIP: PENNSYLVANIA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	1624684	PLEATCO	
Serial Number:	78869249	WAVE-LOK	
CORRESPONDENCE DATA			
Fax Number:	(215)832-5767		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	215-569-5767		
Email:	perry@blankrome.com		
Correspondent Name:	David M. Perry		
Address Line 1:	One Logan Square		
Address Line 2:	9th Floor		
Address Line 4:	Philadelphia, PENNSYLVANIA 19103-6998		
ATTORNEY DOCKET NUMBER:	120852-01005		
NAME OF SUBMITTER:	David M. Perry		

CH \$65.00 1624684

Signature:	/David M. Perry/
Date:	02/06/2007
Total Attachments: 13 source=IP Security Agreement#page1.tif source=IP Security Agreement#page2.tif source=IP Security Agreement#page3.tif source=IP Security Agreement#page4.tif source=IP Security Agreement#page5.tif source=IP Security Agreement#page6.tif source=IP Security Agreement#page7.tif source=IP Security Agreement#page8.tif source=IP Security Agreement#page9.tif source=IP Security Agreement#page10.tif source=IP Security Agreement#page11.tif source=IP Security Agreement#page12.tif source=IP Security Agreement#page13.tif	

**PATENTS, TRADEMARKS, COPYRIGHTS
AND LICENSES SECURITY AGREEMENT**

This Patents, Trademarks, Copyrights, and Licenses Security Agreement (“Agreement”) is made as of the 17th day of November, 2006, by PLEATCO, LLC (“Company”), a New York limited liability company, with its chief executive office located at 28 Garvies Point Road, Glen Cove, New York 11542, and delivered to Merion Investment Partners, L.P. (“Lender”), having a mailing address of the Merion Building, 700 South Henderson Road, Suite 210, King of Prussia, Pennsylvania 19406.

BACKGROUND

A. This Agreement is being executed and delivered to Lender as additional security for the Obligations of Company under that certain Senior Subordinated Term Loan and Security Agreement, dated as of the date hereof, by and between Borrower and Lender (as amended, modified, extended, restated or replaced from time to time, the “Loan Agreement”). Capitalized terms not defined herein shall have the meanings given to such terms in the Loan Agreement.

B. Company has adopted, used and is using (or has filed applications and/or registrations of) the patents, patent rights, and patent applications, if any (collectively, the “Patents”); trademarks, service marks, trade names, and service trade names, if any (collectively, “Trademarks”); copyrights, and copyright applications and licenses, if any (collectively, the “Copyrights”); and goodwill associated thereto (“Goodwill”) listed on **Schedule A** attached hereto and made part hereof (all such Patents, Trademarks, Copyrights or Goodwill hereinafter referred to as the “Assets”).

NOW THEREFORE, with the foregoing Background hereinafter deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. In consideration of and pursuant to the terms of the Loan Agreement and all other instruments, agreements and documents entered into in connection therewith (collectively, the “Loan Documents”), and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure the Obligations, Company grants to Lender a lien on, and security interest in, all of its present and future right, title and interest in and to the Assets, and the registration thereof and the right (but not the obligation) to sue for past, present and future infringements, and the proceeds thereof, including, without limitation, license royalties and proceeds of infringement suits.

2. Company represents, warrants and covenants that:

(a) To the best of Company’s knowledge, the Assets are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of Company’s knowledge, each of the Assets is valid and enforceable;

(c) To the best of Company’s knowledge, Company is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Assets, and each of the

Assets is free and clear of any liens, claims, charges and encumbrances, including, without limitation, pledges, assignments, licenses and covenants by Company not to sue third persons except for Permitted Liens;

(d) Company has the unqualified right, power and authority to enter into this Agreement and perform its terms;

(e) The Assets listed on Schedule A constitute all of the registered Assets, and all applications for any of the foregoing, now owned by Company. If, before all Obligations shall have been indefeasibly paid and satisfied in full, Company shall obtain rights to any new registered patent, trademark or copyright or application therefor, the provisions of this Agreement shall automatically apply thereto and such patent, trademark or copyright or application therefor shall be deemed part of the Assets. Company shall give Lender prompt written notice thereof along with an amended Schedule A.

3. So long as an Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default ("Default") has not occurred under the Loan Agreement, Company shall continue to have the exclusive right to use, license, sell or otherwise deal with the Assets subject to the terms of the Loan Agreement and Lender shall have no right to use the Assets or issue any exclusive or non-exclusive license with respect thereto, or assign, pledge or otherwise transfer title in the Assets to anyone else.

4. If and while an Event of Default exists under the Loan Agreement, Company hereby covenants and agrees that Lender, as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the Commonwealth of Pennsylvania, may take such action permitted under the Loan Documents or permitted by law, in its exclusive discretion, to foreclose upon the Assets covered hereby. In such event, Company hereby authorizes and empowers Lender, its successors and assigns, and any officer or agent of Lender as Lender may select, in its exclusive discretion, as Company's true and lawful attorney-in-fact, with the power to endorse Company's name on all applications, assignments, documents, papers and instruments necessary for Lender, to use the Assets or to grant or issue any exclusive or non-exclusive license under the Assets to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Assets to anyone else including, without limitation, the power to execute an assignment in the form attached hereto as Exhibit 1. Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms hereof, except for the gross negligence or wilful misconduct of such attorney. This power of attorney shall be irrevocable for the life of this Agreement, the Loan Documents, and until all Obligations are indefeasibly paid and satisfied in full and the Loan Agreement is terminated.

5. This Agreement shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the parties hereto.

6. All rights and remedies herein granted to Lender shall be in addition to any rights and remedies granted under the Loan Agreement and the Loan Documents. In the event of an inconsistency between this Agreement and the Loan Agreement, the language of the Loan Agreement shall control.

7. Upon Company's performance of all of the obligations under the Loan Agreement and the Loan Documents and full and unconditional satisfaction of all Obligations, Lender shall execute and deliver to Company all documents reasonably necessary to terminate Lender's security interest in the Assets.

8. Any and all fees, costs and expenses, of whatever kind or nature, including the attorneys' fees and legal expenses incurred by Lender in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining, preserving the Assets, or in defending or prosecuting any actions or proceedings arising out of or related to the Assets, or defending, protecting or enforcing Lender's rights hereunder, in each case in accordance with the terms of this Agreement, shall be borne and paid by Company on demand by Lender and until so paid shall be added to the principal amount of Obligations and shall bear interest at the otherwise applicable rate of interest prescribed in the Loan Agreement.

9. Company shall have the right to bring suit in its own name to enforce the Assets, in which event Lender may, if Company reasonably deems it necessary, be joined as a nominal party to such suit if Lender shall have been satisfied, in its sole discretion, that Lender is not thereby incurring any risk of liability because of such joinder. Company shall promptly, upon demand, reimburse and indemnify Lender for all damages, reasonable costs and expenses, including reasonable attorneys' fees, incurred by Lender in the fulfillment of the provisions of this paragraph.

10. During the existence of an Event of Default under the Loan Agreement, Lender may, without any obligation to do so, complete any obligation of Company hereunder, in Company's name or in Lender's name, but at Company's expense, and Company hereby agrees to reimburse Lender in full for all costs and expenses, including reasonable attorneys' fees, incurred by Lender in protecting, defending and maintaining the Assets.

11. No course of dealing between Company and Lender nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder, shall operate as a waiver thereof, and all of Lender's rights and remedies with respect to the Assets, whether established hereby or by the other Loan Documents, or by any other future agreements between Company and Lender or by law, shall be cumulative and may be exercised singularly or concurrently.

12. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

13. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

14. This Agreement and all matters arising here from or relating hereto (whether arising in tort, contract or otherwise) shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its otherwise applicable principles of conflicts of laws.

15. Company and Lender each waive any and all rights either may have to a jury trial in connection with any litigation commenced by or against Lender with respect to rights and obligations of the parties hereto or relating hereto.

16. This Agreement may be executed in multiple counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one fully completed, fully executed document. Signatures by facsimile shall bind the parties hereto.

[SIGNATURES ON FOLLOWING PAGE]

Dated the date and year first written above.

PLEATCO, LLC

By: Howard Smith
Name: *HOWARD SMITH*
Title: *MANAGING MEMBER*

Approved and Accepted:

MERION INVESTMENT PARTNERS, L.P.,

By: Merion Financial Partners, L.P., its General
Partner

By: Merion Fund Management, LLC, its General
Partner

By: _____
Name: Gayle G. Hughes
Title: Member

Dated the date and year first written above.

PLEATCO, LLC

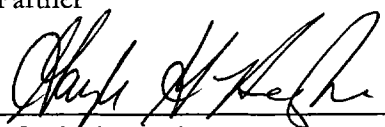
By: _____
Name:
Title:

Approved and Accepted:

MERION INVESTMENT PARTNERS, L.P.,

By: Merion Financial Partners, L.P., its General
Partner

By: Merion Fund Management, LLC, its General
Partner

By: 
Name: Gayle G. Hughes
Title: Member

Signature Page to Patents, Trademarks and Copyrights Security Agreement

TRADEMARK
REEL: 003475 FRAME: 0819

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF NY : SS
COUNTY OF NY :

On this 16th of November 2006, before me personally appeared Howard Smith to me known and being duly sworn, deposes and says that he/she is the Managing Member of Pleatco, LLC, the Company described in the foregoing Agreement; that he/she signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and he/she desires the same to be recorded as such.

Kathleen Mangual
Notary Public

My Commission Expires:

~~KATHLEEN MANGUAL~~
Notary Public, State of New York
No. 01MA6083782
Qualified in New York County
Commission Expires November 25, 2006

ACKNOWLEDGMENT

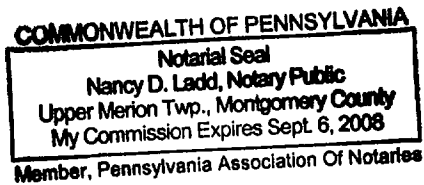
UNITED STATES OF AMERICA :
STATE OF Pennsylvania : SS
COUNTY OF Montgomery :

On this 17 day of November, 2006, before me personally appeared Gayle G. Hughes to me known and being duly sworn, deposes and says that he/she is a member of Merion Fund Management LLC, the general partner of Merion Financial Partners, L.P., the general partner of Merion Investment Partners, L.P., the Lender described in the foregoing Agreement; that he/she signed the Agreement as such officer pursuant to the authority vested in him/her by law; that the within Agreement is the voluntary act of such corporation; and he/she desires the same to be recorded as such.

Nancy D. Ladd
Notary Public

My Commission Expires:

Sept. 6, 2008



SCHEDULE A

Trademark	Registration/ Application Number	Registration/ Application Date	Owner
PLEATCO	1,624,684	11/27/1990	Company
WAVE-LOK	78/869,249	4/25/2006	Company

Patent	Registration/ Application Number	Registration/ Application Date	Owner
Filter	403,740	1/5/1999	Company
Filter	402,735	12/15/1998	Company
Replaceable Tandem Filter Cartridge Assembly	11/405,264	4/17/2006	Company
Replacement Filter Cartridge Assembly having an Internal Lock Ring	11/404,999	4/14/2006	Company
Replacement Filter Cartridge Assembly	5,211,846	5/18/1993	Company

Copyright	Registration/ Application Number	Registration/ Application Date	Owner
NONE			

EXHIBIT 1

PATENTS, TRADEMARKS, LICENSES AND COPYRIGHTS ASSIGNMENT

WHEREAS, PLEATCO, LLC., a New York limited liability company ("Grantor"), is the registered owner of the assets listed on Schedule A attached hereto and made a part hereof ("Assets"), which are registered in the United States Patent and Trademark Office; and

WHEREAS, _____ ("Grantee"), having a place of business at _____, is desirous of acquiring said Assets;

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound hereby, Grantor, its successors and assigns, does hereby transfer, assign and set over unto Grantee, its successors, transferees and assigns, subject to the terms of the Patents, Trademarks, Licenses and Copyrights Security Agreement, dated as of _____, 2006, between Grantor and Merion Investment Partners, L.P., all of its present and future right, title and interest in and to the Assets and all proceeds thereof and all goodwill associated therewith.

IN WITNESS WHEREOF, the undersigned has caused this Patents, Trademarks, Licenses and Copyrights Assignment to be executed as of the ___ day of _____, 200__.

By: _____
Attorney-in-fact

Witness: _____

EXHIBIT 1

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF : S.S.
COUNTY OF :

On this ____ day of _____, 200 ____, before me, a Notary Public for the said County and State, personally appeared _____ known to me or satisfactorily proven to me to be attorney-in-fact on behalf of PLEATCO, LLC, and s/he acknowledged to me that s/he executed the foregoing Patents, Trademarks, Licenses, and Copyrights Assignment on behalf of Grantor, and as the act and deed of Grantor for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

POWER OF ATTORNEY

PLEATCO, LLC, a New York limited liability company (“Grantor”), hereby authorizes Merion Investment Partners, L.P., its successors and assigns, and any officer or agent thereof (collectively, the “Grantee”) as Grantor’s true and lawful attorney-in-fact, with the power to endorse Grantor’s name on all applications, assignments, documents, papers and instruments necessary for Grantee to enforce and effectuate its rights under a certain Patents, Trademarks, Licenses and Copyrights Security Agreement between Grantor and Grantee dated the date hereof (as it may hereafter be supplemented, restated, superseded, amended or replaced, the “Agreement”), including, without limitation, the power to use the Assets (as defined in the Agreement) and listed on Schedule A attached hereto and made a part hereof, to grant or issue any exclusive or nonexclusive license under the Assets to anyone else, or to assign, pledge, convey or otherwise transfer title in or dispose of the Assets, in each case subject to the terms of the Agreement.

This Power of Attorney is given and any action taken pursuant hereto is intended to be so given or taken pursuant to and subject to the provisions of a certain Senior Subordinated Term Loan and Security Agreement bearing even date herewith among Grantee, as lender, and Grantor, as borrower, as each document may be hereinafter amended, modified, extended, restated or replaced from time to time.

Grantor hereby unconditionally ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof and in accordance with the terms of the Agreement.

This Power of Attorney shall be irrevocable for the life of the Agreement.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney, on this ___ day of _____, 2006.

PLEATCO, LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

UNITED STATES OF AMERICA :
STATE OF _____ : SS
COUNTY OF _____ :

On this ____ of _____, 2005, before me personally appeared _____, to me known and being duly sworn, deposes and says that he/she is _____ of PLEATCO, LLC, the Grantor described in the foregoing Power of Attorney; that he/she signed the Power of Attorney thereto as such officer pursuant to the authority vested in him/her by law; that the within Power of Attorney is the voluntary act of such corporation; and he/she desires the same to be recorded as such.

Notary Public

My Commission Expires:
