

## 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
Farrel Corporation		02/26/2007	CORPORATION: DELAWARE

## RECEIVING PARTY DATA

Name:	LaSalle Business Credit, LLC
Street Address:	2001 Market Street
Internal Address:	Two Commerce Square, Suite 2610
City:	Philadelphia
State/Country:	PENNSYLVANIA
Postal Code:	19103
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

## PROPERTY NUMBERS Total: 12

Property Type	Number	Word Mark
Registration Number:	0551425	FARREL
Registration Number:	1707506	FARREL
Registration Number:	1707895	FARREL
Registration Number:	1261470	FARREL
Registration Number:	2680974	BANBURY
Registration Number:	1547079	FARREL
Registration Number:	1698780	TECNOLAB
Registration Number:	2563138	ECO-GLAND
Registration Number:	2625938	ULTIMA
Registration Number:	2643737	ADVEX
Registration Number:	2529285	COFLOW4
Registration Number:	2529286	INTERFLOW

## CORRESPONDENCE DATA

900070458

TRADEMARK  
REEL: 003489 FRAME: 0744

CH \$315.00 0551425

Fax Number: (215)832-5347

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 215-569-5347

Email: aria@blankrome.com

Correspondent Name: Zachary A. Aria

Address Line 1: One Logan Square

Address Line 2: 9th Floor

Address Line 4: Philadelphia, PENNSYLVANIA 19103-6998

ATTORNEY DOCKET NUMBER:

114727-01037

NAME OF SUBMITTER:

Zachary A. Aria

Signature:

/Zachary A. Aria/

Date:

02/28/2007

Total Attachments: 15

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**EXECUTION COPY**

**TRADEMARK SECURITY AGREEMENT**

THIS TRADEMARK SECURITY AGREEMENT (this "Security Agreement") is made as of this 26<sup>th</sup> day of February, 2007 by FARREL CORPORATION, a Delaware corporation ("Borrower") in favor of LASALLE BUSINESS CREDIT, LLC with an office at Two Commerce Square, 2001 Market Street, Suite 2610 Philadelphia, Pennsylvania 19103 ("Lender").

**WITNESSETH:**

WHEREAS, Borrower and Lender are parties to that certain Loan and Security Agreement, dated as of the date hereof (as amended, modified, supplemented or restated from time to time, the "Loan Agreement") and other related loan documents, each dated on or about the date hereof (collectively, with the Loan Agreement, and as each may be amended, modified, supplemented or restated from time to time, the "Financing Agreements"), which Financing Agreements provide, inter alia (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in all of Borrower's assets, including, without limitation, its trademarks and trademark applications.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Incorporation of Financing Agreements. The Financing Agreements and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All capitalized terms not otherwise defined herein shall have the same meanings given to such terms in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities, Borrower hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the other Financing Agreements of, a continuing security interest in Borrower's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in connection therewith, including, without limitation, (i) the trademarks and trademark applications registered or filed (as applicable) with the United States Patent and Trademark Office listed on Schedule A attached hereto and made a part hereof, (ii) those trademarks and trademark applications registered or filed (as applicable) with the appropriate

office of a foreign jurisdiction listed on Schedule B attached hereto and made a part hereof, (iii) renewals of any of the foregoing, (iv) all income, royalties, damages and payments now or hereafter due and/or payable under 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 and the right to sue for past, present and future infringements of any of the foregoing and (v) all rights corresponding to any of the foregoing throughout the world and the goodwill of the Borrower's business connected with the use of and symbolized by the Trademarks (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "**Trademarks**").

3. Warranties and Representations. Borrower warrants and represents to Lender that:

(i) no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances (other than the security interests granted to Lender herein and in the other Financing Agreements), including without limitation, shop rights and covenants by Borrower not to sue third persons;

(iii) Borrower has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Borrower has the unqualified right and power to execute and deliver this Security Agreement and perform its terms, and has taken all necessary corporate actions to authorize such execution, delivery and performance. This Security Agreement constitutes the valid and binding obligation of Borrower enforceable against Borrower in accordance with its terms. The execution, delivery and performance hereof will not violate any provision of Borrower's articles of incorporation, by-laws or equivalent or similar corporate governance documents, or any agreement to which Borrower is a party or by which Borrower's property is bound. No consent or approval of, or filing or registration with, any governmental authority is necessary for the execution and performance hereof by Borrower.

4. Restrictions on Future Agreements. Borrower agrees that until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated, Borrower shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement.

5. New Trademarks. Borrower represents and warrants that, based on a diligent investigation by Borrower, the Trademarks (i) listed on Schedule A constitute all of the Trademarks federally registered in the United States and federal applications for registration in the United States of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower and (ii) listed on Schedule B constitute all of the foreign registered Trademarks and foreign applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Borrower. If, before the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement shall have been terminated, Borrower shall (i) become aware of any existing Trademarks of which Borrower has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, then the provisions of this Security Agreement above shall automatically apply thereto and Borrower shall give to Lender prompt written notice thereof, along with an amended Schedule A or Schedule B (as applicable). Borrower hereby authorizes Lender to modify this Security Agreement by amending Schedule A and/or Schedule B (as applicable) by replacing it with any such amended schedule provided by Borrower under the provisions of this Section 5.

6. Term. The term of this Security Agreement shall extend until the indefeasible payment and satisfaction in full in cash of the Liabilities and the termination of the Loan Agreement. Borrower agrees that upon the occurrence and during the continuance of an Event of Default, Borrower shall be deemed to have granted a non-exclusive license to Lender to use the Trademarks in the exercise by Lender of its rights as a secured creditor with respect to Borrower's tangible property and the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Borrower.

7. Product Quality. Borrower agrees to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices. Upon the occurrence and during the continuance of an Event of Default, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment and satisfaction of the Liabilities in full, in cash, and termination of the Loan Agreement, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby.

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with 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 otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to, or in enforcing Lender's rights as a secured creditor in, the Trademarks, shall be borne by and paid by Borrower and until paid shall constitute Liabilities.

10. Duties of Borrower. Borrower shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated, (ii) to preserve and maintain all rights in the Trademarks and (iii) to ensure that the Trademarks are and remain enforceable, in each of the foregoing cases to the extent that the filing, prosecution, preservation and maintenance of such trademark applications and Trademarks is reasonably necessary to, or desirable in connection with, the conduct of Borrower's business, as currently conducted. Any expenses incurred under this Section 10 shall be borne by Borrower.

11. Lender's Right to Sue. After the occurrence and during the continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit in the exercise of its sole discretion, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Borrower and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under any of the other Financing Agreements shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Financing Agreements. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by any of the other Financing Agreements, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby

authorizes Lender upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks, (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been indefeasibly paid and satisfied in full in cash and the Loan Agreement terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under any of the other Financing Agreements but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the other Financing Agreements, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of New York.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns. Borrower may not assign any of its rights and obligations hereunder.

17. Governing Law. This Security Agreement and all matters arising herefrom or relating hereto shall be governed and controlled by the internal laws of the State of New York as to interpretation, enforcement, validity, construction, effect and in all other respects.

18. Headings. Section, paragraph and subdivision headings used herein are for convenience only and shall not govern the interpretation of any of the provisions of this Security Agreement.

19. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and the agreements set forth herein. Borrower hereby authorizes Lender to file UCC-1 financing statements (and all appropriate continuations and amendments thereto) against Borrower describing the Trademarks (including a description of "all trademarks" or "all general intangibles") from time to time in such jurisdictions as Lender may deem necessary, desirable or prudent to protect and perfect Lender's security interest in the Trademarks.

20. Survival of Representations. All representations and warranties of Borrower contained in this Security Agreement shall survive the execution and delivery of this

Security Agreement and shall be remade on the date of each borrowing under the Financing Agreements.

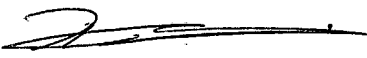
21. Counter parts. This Security Agreement and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Signature by facsimile shall bind the parties hereto.

**[Signatures Appear on Following Page]**



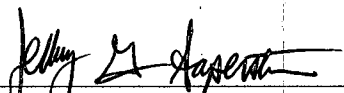
IN WITNESS WHEREOF, Borrower has duly executed this Trademark Security Agreement as of the date first written above.

FARREL CORPORATION

By:   
Name: Alberto Shaio  
Title: Chief Executive Officer

Acknowledged, agreed to and accepted  
as of the date first written above by:

LASALLE BUSINESS CREDIT, LLC

By:   
Name: Jeffrey G. Saperstein  
Title: First Vice President

*Signature Page to Trademark Security Agreement*

ACKNOWLEDGMENT

STATE OF NY )  
 ) SS  
COUNTY OF NY )

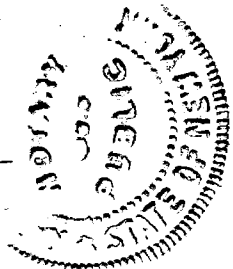
I, Kathleen Mangual, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Alberto Shaio, the Chief Executive Officer of Farrel Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26<sup>th</sup> day of February, 2007.

Kathleen Mangual  
Notary Public

My Commission Expires:

11/25/2010



**KATHLEEN MANGUAL**  
Notary Public, State of New York  
No. 01MA6083782  
Qualified in New York County  
Commission Expired November 25, 2010

ACKNOWLEDGMENT

STATE OF NY )  
COUNTY OF NY ) SS

I, Kathleen Mangual, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Jeffrey G. Saperstein, a First Vice President of LaSalle Business Credit, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

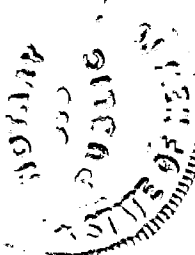
GIVEN under my hand and notarial seal this 26<sup>th</sup> day of February, 2007.

Kathleen Mangual  
Notary Public

My Commission Expires:

11/25/2010

KATHLEEN MANGUAL  
Notary Public, State of New York  
No. 01MA6083782  
Qualified in New York County  
Commission Expired November 25, 2010



**SCHEDULE A**

**U.S. TRADEMARK REGISTRATIONS**

<u>Farrel ID</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Date Registered</u>
FTM01	FARREL	551425	Dec. 4, 1951
		1707506	Aug. 11, 1992
		1707895	Aug. 18, 1992
FTM02	FARREL-IN-SHIELD	1261470	Dec. 20, 1983
FTM04	BANBURY	2680974	Jan. 28, 2003
FTM06	FARREL IN RED SHIELD	1547079	July 11, 1989
FTM09	TECNOLAB	1698780	July 7, 1992
FTM11	ECO-GLAND	2563138	April 23, 2002
FTM13	ULTIMA	2625938	Sept. 24, 2002
FTM15	ADVEX	2643737	Oct. 29, 2002
FTM16	COFLOW4	2529285	Jan. 15, 2002
FTM17A	INTERFLOW	2529286	Jan. 15, 2002

**TRADEMARK APPLICATIONS**

NONE

**SCHEDULE B**

**FOREIGN TRADEMARK REGISTRATIONS**

<u>Farrel ID</u>	<u>Trademark</u>	<u>Jurisdiction</u>	<u>Registration No.</u>	<u>Date Registered</u>
FTM01	FARREL	Benelux	552038	Feb. 1, 1995
		Brazil	0213626	Feb. 19, 1998
		Canada	TMDA38777	Oct. 26, 1925
		Chile	715219	Nov. 30, 1994
		China	383872	Mar. 30, 1998
			21088	Aug. 20, 1920
		Columbia	148903	Jan. 31, 1994
		Czech Republic	155190	July 25, 1962
		Dominican Rep.	2379	July 31, 1929
		Finland	42123	Nov. 29, 1963
		France	1586826	Apr. 17, 1990
		Germany	786466	May 27, 2003
		Hungary	118408	July 22, 1966
		Indonesia	311234	Sept. 12, 1994
		Italy	696821	Dec. 16, 1996
		Japan	446528	June 21, 1954
		Korea	248858	Sept. 4, 1992
			242347	July 3, 1992
		Mexico	22253	July 9, 1923
		Peru	64085	Feb. 9, 1987
		Philippines	58794	July 2, 1994
		Poland	43896	Aug. 24, 1963
		Portugal	157142	Dec. 10, 1970
			264275	Sept. 30, 1992
		Russia	33006	Aug. 25, 1966
		Singapore	T9204162E	June 3, 1992

		South Africa	89/9168	Oct. 4, 1994
			89/9167	Oct. 3, 1994
			95/06242	May 17, 1995
		Spain	1971829	Nov. 5, 1996
		Sweden	324802	Sept. 19, 1997
		Thailand	KOR152387	Aug. 26, 1992
		Turkey	94024	July 1, 1990
		United Kingdom	406440	July 27, 1920
		Venezuela	F-167150	Aug. 19, 1994
FTM02	FARREL- IN-SHIELD	Argentina	1598699	Apr. 30, 1996
		Australia	228015	Apr. 14, 1990
		Austria	58912	Feb. 10, 1967
		Benelux	101350	Dec. 24, 1971
		Brazil	815009577	Mar. 26, 1991
			814837077	Mar. 26, 1991
		China	383871	Mar. 30, 1998
			310932	Mar. 30, 1998
		Colombia	129068	May 23, 1990
		Egypt	42734	May 13, 1968
		Germany	786466	Apr. 2, 1964
		India	235320	May 17, 1966
		Indonesia	407145	Dec. 3, 1997
			219295	May 14, 1987
		Iran	28532	Sept. 28, 1996
		Italy	696822	Dec. 16, 1996
		Norway	61129	Jan. 31, 1963
		Peru	96572	Apr. 8, 1992
		Singapore	T92/04163C	June 3, 1992
		South Africa	89/9170	Oct. 3, 1994
			89/9169	Oct. 3, 1994
		Spain	1971831	Nov. 5, 1996

		Sweden	321226	Jan. 24, 1997
		Switzerland	320647	July 14, 1982
		Taiwan	27168	July 1, 1997
		Venezuela	P-254545	Sept. 14, 2004
		Yugoslavia	15724	Nov. 13, 1962
FTM04	BANBURY	Argentina	1609475	July 31, 1996
		Australia	168429	July 19, 1965
		Austria	58824	Jan. 30, 1967
		Benelux	098216	Dec. 24, 1971
		Brazil	002072122	Nov. 10, 1998
		Canada	101477	Sept. 23, 1955
		Chile	679832	Oct. 22, 1993
		China	296217	Aug. 20, 1997
		Columbia	125166	Dec. 6, 1988
		Czech Republic	155180	July 21, 1962
		Denmark	0310/1964	Sept. 19, 1964
		Dominican Republic	12406	Oct. 26, 1962
		Finland	41538	Sept. 20, 1963
		France	1214911	Jan. 2, 1958
		Germany	717221	Dec. 28, 1957
		India	182813	Dec. 27, 1957
		Indonesia	406665	Nov. 25, 1997
		Italy	648713	Apr. 21, 1995
		Japan	446527	June 21, 1984
		Korea	181052	Oct. 12, 1989
		Mexico	79887	Feb. 10, 1955
		Norway	52256	Apr. 21, 1958
		Peru	96570	Apr. 8, 1992
		Philippines	55863	Aug. 18, 1993
		Poland	43895	Aug. 24, 1963

		Portugal	157096	Dec. 14, 1970
		Puerto Rico	12421	June 13, 1963
		Singapore	T92/04164A T87/06051Z	June 3, 1992 Dec. 12, 1987
		South Africa	89/8496 95/06244	Feb. 21, 1992 Apr. 2, 2001
		Spain	1971830	Jan. 5, 1996
		Sweden	102287	Mar. 16, 1962
		Switzerland	P298574	Dec. 13, 1957
		Taiwan	27169	July 1, 1997
		United Kingdom	2019149	Mar. 23, 2001
		Venezuela	F-031037	Aug. 11, 1956
		Yugoslavia	15725	Nov. 13, 1962
FTM05	DISKPACK	United Kingdom	1300859	Oct. 13, 1989
FTM06	FARREL IN RED SHIELD	United Kingdom	1360835 1360581	Mar. 27, 1992 Jan. 22, 1993
FTM09	TECNOLAB	Australia	565543	Aug. 24, 1993
		Austria	140836	Mar. 4, 1992
		Benelux	1014205	July 9, 2002
		Brazil	816483400	Mar. 29, 1994
		Canada	TMA416328	Sept. 3, 1993
		Chile	684235	Dec. 17, 1993
		China	618586	Nov. 20, 1992
		Columbia	148786	Jan. 31, 1994
		Denmark	6370/92	July 17, 1992
		Finland	123855	Dec. 21, 1992
		France	1705209	Nov. 14, 1991
		Germany	2025390	Nov. 27, 1992
		Italy	627611	June 27, 1994
		Korea	258103	Feb. 2, 1993
		Malaysia	91/06885	Oct. 13, 1998



Mexico	410329	Apr. 6, 1992
Norway	152357	Sept. 17, 1992
Portugal	277865	Aug. 12, 1993
Sweden	243416	Dec. 4, 1992
Switzerland	393652	Aug. 13, 1992
Taiwan	567980	Sept. 1, 1992
Thailand	152388	Aug. 26, 1992
United Kingdom	1482131	Jan. 15, 1993
Venezuela	F-166998	Aug. 14, 1994

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TRADEMARK APPLICATIONS

NONE