



103557027

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

NRD 3/20/09

1. Name of conveying party(ies)/Execution Date(s):

Lydall, Inc.
One Colonial Road
Manchester, Connecticut 06042

- Individual(s)
- General Partnership
- Corporation-State
- Other: _____
- Association
- Limited Partnership

Citizenship (see guidelines) Delaware

Execution Date(s) March 11, 2009

Additional names of conveying parties attached? Yes No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Wachovia Capital Finance Corporation (New England)

Internal Address: _____

Street Address: One Post Office Square, Suite 3600

City: Boston

State: MA

Country: USA Zip: 02109

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship Massachusetts
- Other Citizenship

If assignee is not domiciled in the United States, a domestic representative designation is attached. Yes No
(Designations must be a separate document from assignment)

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other: _____
- Merger
- Change of Name

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) See Attached Exhibit A

B. Trademark Registration No.(s) See Attached Exhibit A

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown)

5. Name address of party to whom correspondence concerning document should be mailed:

Name: Susan O'Brien

Internal Address: UCC Direct Services

Street Address: 187 Wolf Road, Suite 101

City: Albany

State: NY Zip: 12205

Phone Number: 800-342-3676

Fax Number: 800-962-7049

Email Address: cls-udsalbany@wolterskluwers.com

6. Total number of applications and registrations involved:

39

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$990 -

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment information:

- a. Credit Card Last 4 Numbers 5683
Expiration Date 1/109
- b. Deposit Account Number _____
Authorized User Name: _____

9. Signature:

Mercedes Farinas
Signature

3/16/09
Date

Mercedes Farinas
Name of Person Signing

Total number of pages including cover sheet, attachments, and document. 16

Documents to be recorded (including cover sheet) should be faxed to (703) 306-6995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1480, Alexandria, VA 22304-1450 00000004 3013016

01 FC:8521
02 FC:8522

40.00 OP
350.00 UP

Additional Conveying Parties:

**Charter Medical, Ltd.
3948-A Westpoint Boulevard
Winston-Salem, North Carolina 27103**

EXHIBIT A
TO
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

TRADEMARKS AND TRADEMARK APPLICATIONS

U.S. TRADEMARKS

REG. NO.	WORK MARK	APPLICATION FILING DATE	APPLICATION NO.	DATE OF REGISTRATION	OWNER	EXPIRY
3013016	LYSHIELD			8-Nov-05	Lydall, Inc.	2015
3151585	CAPRATON			3-Oct-06	Lydall, Inc.	2016
N/A	AFFINITY	3-Feb-09	77662652	N/A	Lydall, Inc.	N/A
3540977	FLEXSHIELD			2-Dec-08	Lydall, Inc.	2018
3404490	APPLY			1-Apr-08	Lydall, Inc.	2018
2620747	AMS			17-Sep-02	Lydall, Inc.	2012
2916582	DBCORE			4-Jan-05	Lydall, Inc.	2015
2894129	LYDALL			19-Oct-04	Lydall, Inc.	2014
2720504	LYFLEX			3-Jun-03	Lydall, Inc.	2013
2502066	CELLUPURE			30-Oct-01	Lydall, Inc.	2011
2424969	DBLYTE			30-Jan-01	Lydall, Inc.	2011
2328380	ZERO CLEARANCE			14-Mar-00	Lydall, Inc.	2010
2290842	HYDRO-FUSED			9-Nov-99	Lydall, Inc.	2009
2061532	CRS WRAP			13-May-97	Lydall, Inc.	2017
1720282	FORMOWEB			29-Sep-92	Lydall, Inc.	2012
1648155	CRYOTHERM			18-Jun-91	Lydall, Inc.	2011
1627121	LYTHERM			11-Dec-90	Lydall, Inc.	2010
1618268	ACTIPURE			23-Oct-90	Lydall, Inc.	2010
1621213	ACUPORE			6-Nov-90	Lydall, Inc.	2010
1505811	TECHNIMAT			27-Sep-88	Lydall, Inc.	2018
1587807	LYPORE			20-Mar-90	Lydall, Inc.	2010
1580047	MANNING			30-Jan-90	Lydall, Inc.	2010
1514583	SEP-R-MAX			29-Nov-88	Lydall, Inc.	2018
1510118	MANNIGLASS SLIPSHEET			25-Oct-88	Lydall, Inc.	2018
1378089	ACADIA			14-Jan-86	Lydall, Inc.	2016
1281494	COLONIAL			12-Jun-84	Lydall, Inc.	2014
1245278	LY-TUFF			12-Jul-83	Lydall, Inc.	2013
1229496	LYPORE			8-Mar-83	Lydall, Inc.	2013
1219091	LYDAIR			7-Dec-82	Lydall, Inc.	2012
1140365	MANNIGLAS			14-Oct-80	Lydall, Inc.	2010
1117687	MANNIGLAS			8-May-79	Lydall, Inc.	2009
1049541	MANNIWEB			5-Oct-76	Lydall, Inc.	2016
755523	MANNITHER M			27-Aug-63	Lydall, Inc.	2013
508457	FORMOBOAR D			12-Apr-49	Lydall, Inc.	2009

1231071.7

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3578221	CLEAR-PAK			17-Feb-09	Charter Medical, Ltd.	2019
N/A	CELL FREEZE	16-Apr-07	77157914	N/A	Charter Medical, Ltd.	N/A
3247872	CELL FREEZE			29-May-07	Charter Medical, Ltd.	2017
2614236	BIO-PAK			3-Sep-02	Charter Medical, Ltd.	2012
3216688	TRU-FLO			13-Mar-07	Charter Medical, Ltd.	2017

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Agreement"), dated March 11, 2009, is by and among Lydall, Inc., a Delaware corporation ("Parent"), Charter Medical, Ltd., a Delaware corporation ("Charter", and together with Parent, each a "Debtor" and collectively the "Debtors"), and Wachovia Capital Finance Corporation (New England), a Massachusetts corporation ("Lender").

WITNESSETH:

WHEREAS, Debtors have adopted, used and may be using, and are the owners of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof; and

WHEREAS, Lender has entered into financing arrangements with Parent, Affinity Industries Asia LLC., a New Hampshire limited liability company ("Affinity"), Charter, Lydall Filtration/Separation, Inc., a Connecticut corporation ("Filtration"), Lydall Industrial Thermal Solutions, Inc., a Delaware corporation ("Thermal"), Lydall Industrial Thermal Sales/Services, LLC, a New Hampshire limited liability company ("Industrial Sales"), Lydall Thermal/Acoustical, Inc., a Delaware corporation ("Acoustical"), Lydall Thermal/Acoustical Sales LLC, a Delaware limited liability company ("TAS", and together with Parent, Affinity, Charter, Filtration, Thermal, Industrial Sales, Acoustical and TAS, each individually a "Borrower" and collectively, "Borrowers"), pursuant to which Lender may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Lender, Borrowers and certain of their affiliates (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Lender to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers pursuant thereto, each Debtor has agreed to grant to Lender certain collateral security as set forth herein;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations, Debtors hereby grant to Lender a continuing security interest in

and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of each Debtor's now existing or hereafter acquired right, title, and interest in and to: (i) all of each Debtor's trademarks, tradenames, trade styles and service marks and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to such Debtor's use of any trademarks, tradenames, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, tradenames, tradestyles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all present and future license and distribution agreements (subject to the rights of the licensors therein) pertaining to the Trademarks, (d) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (e) the right to sue for past, present and future infringements thereof; (f) all rights corresponding thereto throughout the world; and (g) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by any Debtor against third parties for past or future infringement of the Trademarks.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Lender pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all of the Obligations.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Debtor hereby represents, warrants and covenants with and to Lender the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) All of the existing Collateral is valid and subsisting in full force and effect, and the applicable Debtor owns the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Debtors shall, at Debtors' expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the non-exclusive licenses entered into from time to time in the ordinary course of business.

(b) Debtors shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Lender, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Lender to any such action, except as such action is expressly permitted hereunder.

(c) Debtors shall, at Debtors' expense, promptly perform all acts and execute all documents requested at any time by Lender to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtors hereby authorize Lender to file one or more financing statements (or similar documents) with respect to the Collateral. Debtors further authorize Lender to have this Agreement or any other similar security agreement filed with the United States Commissioner of Patents and Trademarks or any other appropriate federal, state or government office, or corresponding government offices in countries other than the United States of America.

(d) As of the date hereof, (i) Debtors do not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and (ii) have not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(e) Debtors shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Lender five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Lender's exercise of the rights and remedies granted to Lender hereunder.

(f) Lender may, in its discretion, pay any amount or do any act which any Debtor fails to pay or do as required hereunder or as requested by Lender to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Debtors shall be liable to Lender for any such payment, which payment shall be deemed an advance by Lender to such Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(g) Debtors shall provide Lender with prompt written notice following the filing of any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country. If, after the date hereof, any Debtor shall (i) obtain any registered trademark or tradename, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States of America or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request

of Lender, Debtors shall promptly execute and deliver to Lender any and all assignments, agreements, instruments, documents and such other papers as may be requested by Lender to evidence the security interest in and conditional assignment of such Trademark in favor of Lender.

(h) Debtors have not abandoned any of the Trademarks and will not do any act, nor omit to do any act, whereby the Trademarks may become abandoned, invalidated, unenforceable or avoided, unless a Debtor has determined that such action or omission is desirable in its reasonable business judgment and has promptly notified Secured Party of such action or omission in writing. Each Debtor shall notify Lender promptly if it knows or has reason to know of any reason why any material application, registration or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided or avoidable.

(i) Debtors shall render any assistance, as Lender shall determine is necessary, to Lender in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States of America, any State thereof, any political subdivision thereof or in any other country, to protect Lender's security interest in the Collateral.

(j) To Debtors' knowledge, no infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect the fair market value of the Collateral or the benefits of this Agreement granted to Lender including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Lender hereunder. To Debtors' knowledge, there has been no judgment holding any of the Trademarks invalid or unenforceable, in whole or in part, nor is the validity or enforceability of any of the Trademarks presently being questioned in any litigation or proceeding to which any Debtor is a party which result could reasonably be expected to have a Material Adverse Effect. Debtors shall promptly notify Lender if any Debtor learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Lender, Debtors, at Debtors' expense, shall join with Lender in such action as Lender, in good faith, may deem advisable for the protection of Lender's interest in and to the Trademarks.

(k) Debtors assume all responsibility and liability arising from the use of the Trademarks and Debtors hereby indemnify and hold Lender harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by a Debtor (or any other Borrower or Guarantor) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by such Debtor (or any other Borrower or Guarantor). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(l) Debtors shall promptly pay Lender for any and all reasonable expenditures made by Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the

Obligations set forth in the Financing Agreements and shall be part of the Obligations secured hereby.

4. EVENTS OF DEFAULT

The occurrence or existence of any Event of Default under the Loan Agreement is referred to herein individually as an "Event of Default" and collectively as "Events of Default".

5. RIGHTS AND REMEDIES

At any time an Event of Default has occurred and is continuing, in addition to all other rights and remedies of Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Lender shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtors except as such notice or consent is expressly provided for hereunder:

(a) Lender may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Lender by Debtors or any other Borrower or Guarantor or for such other reason as Lender may determine.

(b) Lender may grant such non-exclusive license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Lender shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on a non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Lender may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtors of intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtors of any proposed disposition shall be deemed reasonable notice thereof and Debtors waive any other notice with respect thereto. Lender shall have the power to buy the Collateral or any part thereof, and Lender shall also have the power to execute assurances and perform all other acts which Lender may, in good faith, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtors shall be liable for any deficiency. In the event that Debtors receive proceeds of Collateral in connection with the exercise by Lender of any of its rights or remedies hereunder, Lender shall apply such proceeds to the Obligations in accordance with the terms of the Loan Agreement and, after the full and indefeasible payment of the Obligations (other than unasserted contingent indemnification obligations), Lender shall remit such remaining proceeds (if any) to Debtors or such other Person that may be legally entitled thereto.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Lender may at any time execute and deliver on behalf of Debtors, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtors agree to pay Lender on demand all costs incurred in any such transfer of

the Collateral, including, but not limited to, any taxes (but not taxes on income), fees, and reasonable attorneys' fees and legal expenses. Debtors agree that Lender has no obligation to preserve rights to the Trademarks against any other parties.

(e) Lender may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by Lender. Thereafter, Lender may apply any remaining proceeds to such of the Obligations as Lender may in its discretion determine. Debtors shall remain liable to Lender for any of the Obligations remaining unpaid after the application of such proceeds, and Debtors shall pay Lender on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtors shall supply to Lender or to Lender's designee, Debtors' knowledge and expertise relating to the manufacture, sale and distribution of the products and services bearing the Trademarks and Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Lender to take any action at any time. All of Lender's rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently. No failure or delay on the part of Lender in exercising any of its options, power or rights or partial or single exercise thereof, shall constitute a waiver of such option, power or right.

6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the Commonwealth of Massachusetts but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the Commonwealth of Massachusetts.

(b) Debtors and Lender each irrevocably consent and submit to the non-exclusive jurisdiction of the Superior Court of Suffolk County of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, whichever Lender may elect, and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or the transactions related hereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agrees that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Debtors or their respective property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtors or their respective property so long as such court has subject matter jurisdiction with respect thereto).

(c) Debtors hereby waive personal service of any and all process upon them and consent that all such service of process may be made by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after Lender has received notice from such courier service that such process has been delivered to the address of such Debtor set forth in Section 12.3 of the Loan Agreement, or, at Lender's option, by service upon Debtor in any other manner provided under the rules of any such courts.

(d) DEBTORS AND LENDER EACH HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTORS AND LENDER IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTORS AND LENDER EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTORS OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTORS AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Debtors (whether in tort, contract, equity or otherwise) for losses suffered by Debtors in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct by Lender.

7. MISCELLANEOUS

(a) All notices, requests and demands to or upon the parties hereto shall be in writing and shall be given or made in accordance with Section 12.3 of the Loan Agreement.

(b) Capitalized terms used herein and not defined herein shall have the meanings specified in the Loan Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtors or Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns (to the extent permitted under Section 12.5 of the Loan Agreement). The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof or cured in a manner reasonably satisfactory to Lender. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock corporation, trust,

joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

(c) This Agreement and any other document referred to herein shall be binding upon Debtors and their respective successors and assigns and inure to the benefit of and be enforceable by Lender and its successors and assigns (to the extent permitted under Section 12.5 of the Loan Agreement).

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of any such agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtors and Lender have executed this Agreement as of the day and year first above written.

DEBTORS

LYDALL, INC.

By: Thomas P. Smith
Name: Thomas P. Smith
Title: VP - CFO

CHARTER MEDICAL, LTD.

By: Mary A. Tremblay
Name: Mary A. Tremblay
Title: VP, general counsel

LENDER

WACHOVIA CAPITAL FINANCE
CORPORATION (NEW ENGLAND)

By: _____
Name:
Title:

[Signature Page to Trademark Collateral Assignment and Security Agreement]

IN WITNESS WHEREOF, Debtors and Lender have executed this Agreement as of the day and year first above written.

DEBTORS

LYDALL, INC.

By: _____

Name:

Title:

CHARTER MEDICAL, LTD.

By: _____

Name:

Title:

LENDER

WACHOVIA CAPITAL FINANCE
CORPORATION (NEW ENGLAND)

By:  _____

Name: JACOB S. SCAVIE

Title: VICE PRESIDENT

[Signature Page to Trademark Collateral Assignment and Security Agreement]

EXHIBIT B
TO
TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

LIST OF LICENSES

None.

