

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Security Agreement

CONVEYING PARTY DATA

Name	Execution Date
CECO Filters, Inc.	12/29/2005

RECEIVING PARTY DATA

Name:	Fifth Third Bank, for itself and as agent for Fifth Third Bancorp and its affiliates
Street Address:	38 Fountain Square Plaza
Internal Address:	MD 109051
City:	Cincinnati
State/Country:	OHIO
Postal Code:	45263

PROPERTY NUMBERS Total: 7

Property Type	Number
Patent Number:	5948146
Patent Number:	5861123
Patent Number:	5795369
Patent Number:	5730786
Patent Number:	4948398
Patent Number:	4838903
Patent Number:	4432914

CORRESPONDENCE DATA

Fax Number: (202)533-9033

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

Phone: 202-467-8810

Email: behogue@vssp.com

Correspondent Name: Cory M. Amron

Address Line 1: 1828 L Street, NW

Address Line 2: 11th Floor

PATENT

500075563

REEL: 017115 FRAME: 0246

CH \$280.00 5948146

Address Line 4: Washington, DISTRICT OF COLUMBIA 20036

ATTORNEY DOCKET NUMBER:

005252-173/0769/CECO

NAME OF SUBMITTER:

Cory M. Amron

Total Attachments: 9

source=Ceco Filters II#page1.tif

source=Ceco Filters II#page2.tif

source=Ceco Filters II#page3.tif

source=Ceco Filters II#page4.tif

source=Ceco Filters II#page5.tif

source=Ceco Filters II#page6.tif

source=Ceco Filters II#page7.tif

source=Ceco Filters II#page8.tif

source=Ceco Filters II#page9.tif

A FIFTH THIRD BANCORP BANK**PATENT ASSIGNMENT AND SECURITY AGREEMENT**

THIS PATENT ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") is entered into by and between CECO FILTERS, INC., a Delaware corporation, whose principal place of business and mailing address is 1029 Conshohocken Road, Conshohocken, Pennsylvania 19428 (hereinafter "Debtor"), and FIFTH THIRD BANK, an Ohio banking corporation (hereinafter sometimes "Lender"), for itself and as agent for each affiliate of Fifth Third Bancorp (hereinafter collectively, "Secured Party"). Debtor hereby grants to Secured Party a continuing security interest in and to, and a Lien on, and hereby collaterally assigns to Secured Party as collateral, all of the "Patent Collateral", as defined in Section 2 of this Agreement. Debtor and Secured Party hereby further agree as follows:

1. **OBLIGATIONS:** The security interest hereby granted shall secure the full, prompt and complete payment and performance of the "Obligations", as that term is defined in the Credit Agreement dated of even date herewith among Debtor, certain affiliates of Debtor and Lender (as the same may be amended, renewed, consolidated, restated or replaced from time to time, the "Credit Agreement"), and which includes, without limitation, the "Guaranteed Obligations" as defined in the Guaranty dated as of even date herewith given by Debtor to Lender.

2. **PATENT COLLATERAL:** The collateral in which a security interest, Lien, and collateral assignment is hereby granted (the "Patent Collateral") comprises collectively: (i) all of Debtor's right, title and interest in and to its now or in the future owned or existing patents and patent applications, including the inventions and improvements described and claimed in those patents and patent applications and the patents listed on Schedule I attached and made a part of this Agreement (the property in this item (i) being collectively, the "Patents"); (ii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of each of the Patents; (iii) all income, royalties, damages and payments now and in the future due or payable under and with respect to any and all of the Patents, including damages and payments for past or future infringements of any and all of the Patents; (iv) all rights to sue for past, present and future infringements of any and all of the Patents; (v) all rights corresponding to any and all of the Patents throughout the world; and (vi) all rights of Debtor as licensor or licensee under, and with respect to, any patents or patent applications, including the licenses listed on Schedule I and the Patent Licenses (as defined in Section 4(a)) (Debtor's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Patent License Rights").

3. **DEFINITIONS:** "Uniform Commercial Code" means the Uniform Commercial Code as adopted in each applicable jurisdiction, as amended or superceded from time to time. The "Ohio UCC" means the Uniform Commercial Code, as adopted in Ohio, as amended or superceded from time to time. All of the uncapitalized terms contained in this Agreement which are now or hereafter defined in the Ohio UCC will, unless the context expressly indicates otherwise, have the meanings provided for now or hereafter in the Ohio UCC, as such definitions may be enlarged or expanded from time to time by amendment or judicial decision. Any capitalized

term used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

4. LICENSES:

(a) Debtor expressly represents, warrants, covenants and agrees that Debtor shall not license, as licensor, any Patents (a "Patent License") included in the Patent Collateral without the prior written consent of Secured Party, which consent will not be unreasonably withheld by Secured Party, and each such Patent License so granted shall be subject to the terms and conditions of this Agreement, including the termination provisions in Section 4(b). Secured Party shall not be under any obligation to consent to a Patent License unless it is necessary or appropriate in the ordinary course of Debtor's business as presently conducted by it, and so long as no Event of Default has occurred.

(b) If an Event of Default occurs, Secured Party shall have the right, immediately or at any time thereafter, in its sole discretion, to deliver to Debtor and to each licensee under a Patent License notice terminating the Patent Licenses, whereupon: (i) the Patent Licenses will automatically and immediately terminate without any further notice or demand (which Debtor expressly waives); (ii) all rights and interests of the licensees in and to and under the Patent Licenses will revert to Debtor; and (iii) all rights of the licensees in the Patent Collateral will cease to exist and be void. If the Event of Default is cured to Secured Party's satisfaction or is waived in writing by Secured Party, then, without any further action on the part of Secured Party, the Patent Licenses will immediately revert with the licensees on the cessation of the Event of Default subject to the terms of this Agreement.

5. REPRESENTATIONS AND WARRANTIES:

To induce Lender to make Loans and other extensions of credit pursuant to the Loan Documents, Debtor represents to Secured Party that the following statements are, and will continue throughout the term of the Credit Agreement to be, true:

(a) Debtor is the sole legal and beneficial owner of the entire right, title and interest in and to the Patent Collateral, free and clear of any Lien, option, or license except as otherwise disclosed on Schedule I;

(b) Set forth in Schedule I is a complete and accurate list of all Patents and Patent License Rights owned by Debtor or in which Debtor has any rights;

(c) Except as set forth on Schedule I, each Patent identified in Schedule I is subsisting and has not been adjudged invalid, unpatentable, or unenforceable, in whole or in part, and is enforceable, except as otherwise set forth on Schedule I;

(d) Debtor has not granted any license, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Patent Collateral except as otherwise disclosed in Schedule I;

(e) To Debtor's knowledge, the Patent License Rights are in full force and effect. Debtor is not in default under any of the Patent License Rights, and, to Debtor's knowledge, no event has occurred which with notice, the passage of time, the satisfaction of any other condition, or all of them, might constitute a default by Debtor under the Patent License Rights; and

(f) Except for the filing of UCC financing statements and the recording of the Agreement with the United States Patent and Trademark Office, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental authority is currently or is reasonably expected to be required either: (i) for the grant by Debtor of the Liens granted hereby or for the execution, delivery or performance of this Agreement by Debtor or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder.

6. DEBTOR'S RESPONSIBILITIES AND AGREEMENTS: Until the Obligations are fully paid, performed and satisfied and this Agreement is terminated:

(a) Debtor will furnish to Secured Party upon Secured Party's request a current list of all of the items of the Patent Collateral for the purpose of identifying the Patent Collateral, including any licensing of Patent Collateral, and all other reports in connection with the Patent Collateral as Secured Party may reasonably request, all in reasonable detail, and further execute and deliver such supplemental instruments, in the form of assignments or otherwise, as Secured Party shall reasonably require for the purpose of confirming and perfecting Secured Party's security interest in any or all of the Patent Collateral;

(b) Should Debtor obtain an ownership interest in any Patent License Rights or Patents, which is not now identified in Schedule I: (i) Debtor will give prompt written notice to Secured Party, (ii) the provisions of Section 2 shall automatically apply to the Patent License Rights and Patents acquired or obtained, and (iii) each of such Patent License Rights and Patents shall automatically become part of the Patent Collateral under this Section 6(b). Debtor authorizes Secured Party to modify this Agreement by amending Schedule I to include any Patents and Patent License Rights which become part of the Patent Collateral under this Section 6(b);

(c) Debtor, to the extent that Debtor determines in its reasonable discretion that it is in Debtor's best interest to do so, will take all necessary steps in any proceeding before the United States Patent and Trademark Office (or any similar office or agency in any other country or any political subdivision of that country) or in any court: (i) to maintain and pursue any patent application now or in the future included in the Patent Collateral and (ii) to maintain each patent now or in the future included in the Patent Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications; the filing of applications for reissue, renewal or extensions; the payment of maintenance fees, and the participation in reexamination, opposition, interference and infringement proceedings. Any expenses incurred in connection with such activities shall be borne by Debtor. Debtor will not abandon any right to file a patent application or abandon any pending patent application or patent unless the invention which is the subject of such patent application or patent is not necessary to the conduct of Debtor's business or unless it is the opinion of Debtor's counsel that a meaningful patent will not issue on a patent application;

(d) Debtor will notify Secured Party immediately in writing of any information which Debtor has received, or may expect to receive, which might in any way materially adversely affect the value of the Patent Collateral or the rights of Secured Party with respect thereto;

(e) Debtor will notify Secured Party immediately when Debtor learns: (i) that any of the Patent Collateral may become abandoned or dedicated; or (ii) of any adverse written determination (including the institution of any proceeding in the United States Patent and Trademark Office or any other U.S. or foreign court or tribunal of any kind) regarding any item of the Patent Collateral;

(f) Debtor will promptly notify Secured Party if Debtor becomes aware that any item of the Patent Collateral is materially infringed or misappropriated by any Person (an "Infringement"). Debtor will, to the extent that Debtor determines in its reasonable discretion that it is in Debtor's best interest to do so, promptly sue for Infringement and recovery of all damages caused by the Infringement and will take all other actions as Debtor deems appropriate under the circumstances to protect the Patent Collateral. Any expense incurred in connection with the foregoing activities will be borne by Debtor;

(g) Debtor will not: (i) sell, assign (by operation of law or otherwise), license or otherwise dispose of any of the Patent Collateral, except: (A) as expressly permitted by the Credit Agreement or (B) as expressly permitted by this Agreement; (ii) create or suffer to exist any Liens on, or with respect to, any of the Patent Collateral except as may otherwise be disclosed in Schedule I or as otherwise expressly permitted by the Credit Agreement; or (iii) take any other action in connection with any of the items of Patent Collateral that could materially impair the value of the interests or rights of Debtor or Secured Party in, to or under such Patent Collateral;

(h) Debtor will cause the use of reasonable and proper statutory notice in connection with its use of a Patent in its business; and

(i) pay all expenses and reasonable attorneys' fees of Secured Party incurred by Secured Party in the exercise (including enforcement) of any of Secured Party's rights or remedies under this Agreement or applicable law; and Debtor agrees that said expenses and fees shall constitute part of the Obligations and be secured by the Patent Collateral and the other Loan Collateral.

7. POWER OF ATTORNEY: Debtor hereby makes, constitutes and appoints Secured Party its true and lawful attorney-in-fact to act with respect to the Patent Collateral in any transaction, legal proceeding, or other matter in which Secured Party is acting pursuant to this Agreement. Debtor: (i) specifically authorizes Secured Party as its true and lawful attorney in fact: (a) to execute and/or authenticate on its behalf and/or file financing statements reflecting its security interest in the Patent Collateral and (b) to execute and/or authenticate on its behalf and/or file any other documents necessary or desirable to perfect or otherwise further the security interest granted herein and (ii) specifically authorizes Secured Party as its true and lawful attorney in fact: (a) to file any claims or take any action or institute any proceedings that

Secured Party may deem necessary or desirable for the collection of any of the Patent Collateral, (b) to assign of record in the United States Patent and Trademark Office (and each other applicable governmental authority) any and all of the Patent Collateral in Secured Party's name (or the name of any nominee), and/or (c) otherwise to enforce the rights of Secured Party with respect to any of the Patent Collateral.

8. DEFAULT: If an Event of Default occurs and is continuing, then, in any such event, Secured Party may, without further notice to Debtor except as expressly provided in the Credit Agreement, at Secured Party's option, declare all Notes and any or all of the other Obligations to become immediately due and payable in the aggregate amount thereof. If an Event of Default occurs and is continuing, Secured Party may resort to the rights and remedies available at law, in equity and under the Loan Documents, including the rights and remedies of a Secured Party under the Uniform Commercial Code (whether or not the Uniform Commercial Code applies to the affected Patent Collateral) including: (i) causing the assignment of record in the United States Patent and Trademark Office (or any other applicable governmental authority) of the Patent Collateral in Secured Party's name or in the name of any nominee of Secured Party, (ii) requiring Debtor to assemble all or any part of the documents embodying the Patent Collateral as directed by Secured Party and make the documents available to Secured Party at a place to be designated by Secured Party; (iii): (a) licensing the Patent Collateral or any part thereof, (b) assigning its rights to the Patent License Rights to any Person, and (c) otherwise exercising any and all rights and remedies of Secured Party under or in connection with the Patent Licenses or otherwise in respect of the Patent Collateral; and (iv) selling the Patent Collateral at public or private sale, and Debtor will be credited with the net proceeds of such sale, after payment in full of all Obligations, only when they are actually received by Secured Party, any requirement of reasonable notice of any disposition of the Patent Collateral will be satisfied if such notice is sent to Debtor 10 days prior to such disposition. In the event of any sale, assignment, or other disposition of any of the Patent Collateral, Debtor will supply to Secured Party or its designee Debtor's: (1) know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Patent Collateral subject to such disposition and (2) customer lists and other records relating to such Patent Collateral and to the distribution of such products and services. Moreover, if an Event of Default occurs and is continuing, Secured Party may, without notice to Debtor, apply for and have a receiver appointed under state or federal law by a court of competent jurisdiction in any action taken by Secured Party to enforce its rights and remedies under this Agreement and, as applicable, the other Loan Documents in order to: (A) manage, protect, preserve, and sell and otherwise dispose of all or any portion of the Patent Collateral, (B) continue the operation of the business of Debtor, and/or (C) collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of the Obligations until a sale or other disposition of such Patent Collateral is finally made and consummated. No remedy set forth herein is exclusive of any other available remedy or remedies, but each is cumulative and in addition to every other remedy given under this Agreement, the other Loan Documents or now or hereafter existing at law or in equity or by statute. Secured Party may proceed to protect and enforce its rights by an action at law, in equity or by any other appropriate proceedings. No failure on the part of Secured Party to enforce any of the rights hereunder shall be deemed a waiver of such rights or of any Event of Default, and no waiver of any Event of Default will be deemed to be a waiver of any subsequent Event of Default. Moreover, Debtor

acknowledges and agrees that Secured Party shall have no obligation to, and Debtor hereby waives to the fullest extent permitted by law any right that it may have to require Secured Party to: (I) prepare any of the Patent Collateral for sale, (II) pursue any Person to collect any of the Obligations or (III) exercise collection remedies against any Persons obligated on the Patent Collateral. Secured Party's compliance with any applicable local, state or federal law requirements, in addition to those imposed by the Uniform Commercial Code in connection with a disposition of any or all of the Patent Collateral will not be considered to adversely affect the commercial reasonableness of any disposition of any or all of the Patent Collateral under the Uniform Commercial Code.

9. GENERAL PROVISIONS:

(a) All rights of Secured Party shall inure to the benefit of its successors, assigns and affiliates and all obligations of Debtor shall bind the successors and assigns of Debtor.

(b) This Agreement and the other Loan Documents contain the entire agreement of the parties with respect to the subject matter of this Agreement and supersede all previous understandings and agreements relating to the subject matter hereof, and no oral agreement whatsoever, whether made contemporaneously herewith or hereafter shall amend, modify or otherwise affect the terms of this Agreement.

(c) All rights and liabilities hereunder shall be governed and limited by and construed in accordance with the local laws of the State of Ohio (without regard to Ohio conflicts of law principles).

(d) If any provision of this Agreement is found invalid by a court of competent jurisdiction, the invalid term will be considered excluded from this Agreement and will not invalidate the remaining provisions of this Agreement.

(e) Debtor hereby irrevocably authorizes Secured Party to file with the United States Patent and Trademark Office a copy of this Agreement and any amendments thereto or any document which may be required by the United States Patent and Trademark Office. Debtor also hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto that: (i) describe the Patent Collateral and (ii) provide any other information required by Part 5 of Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organizational identification number issued to Debtor. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Debtor as debtor and Secured Party as secured party. Secured Party is hereby authorized to give notice to any licensor or licensee of any Patent Collateral or any other Person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the security interest granted to Secured Party in the Patent Collateral.

(f) The definition of any document, instrument or agreement includes all schedules, attachments and exhibits thereto and all renewals, extensions, supplements, restatements and amendments thereof. All schedules, exhibits or other attachments to this Agreement are incorporated into, and are made and form an integral part of, this Agreement for all purposes. As used in this Agreement, "hereunder," "herein," "hereto," "this Agreement" and words of similar import refer to this entire document; "including" is used by way of illustration and not by way of limitation, unless the context clearly indicates the contrary; the singular includes the plural and conversely; and any action required to be taken by Debtor is to be taken promptly, unless the context clearly indicates the contrary. The description of the Patent Collateral in this Agreement does not in any way limit the description of, or Secured Party's Lien on, the "Collateral" as defined in the Security Agreement or Secured Party's rights or remedies respecting the "Collateral."

(g) SECURED PARTY AND DEBTOR HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

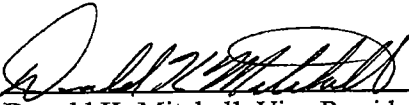
(h) This Agreement will terminate ("Termination") on the later to occur of: (i) the full performance, payment and satisfaction of the Obligations (exclusive of any contingent obligations for indemnification for which Lender has not then given notice of a claim thereof against a Loan Party) or (ii) the termination of the Credit Agreement. Upon such Termination, Secured Party will, upon Debtor's request, execute and deliver to Debtor any release of its Lien on the Patent Collateral or similar instrument of re-conveyance and deliver UCC termination statements with respect to its Lien on the Patent Collateral, all as Debtor may reasonably request.

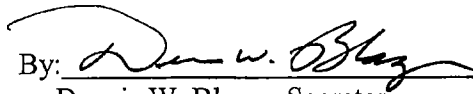
[Signature Page Follows]

This Agreement is made and dated as of December 29, 2005.

FIFTH THIRD BANK

CECO FILTERS, INC.

By: 
Donald K. Mitchell, Vice President

By: 
Dennis W. Blazer, Secretary
and Treasurer

STATE OF OHIO,
COUNTY OF HAMILTON, SS:

I, Melvin A. Bedree, a Notary Public, do hereby certify that Dennis W. Blazer, Secretary and Treasurer of CECO Filters, Inc., a Delaware corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as his act and deed and as the act and deed of CECO Filters, Inc.

Witness my hand and official seal, this the 28th day of December, 2005.



Notary Public

My commission expires:



MELVIN A. BEDREE, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration
date, Section 147.03 O.R.C.

SIGNATURE PAGE TO
CECO FILTERS, INC.
PATENT ASSIGNMENT AND SECURITY AGREEMENT

SCHEDULE I

PATENTS

Patent Registration No.	Title	Comments
5,948,146	Hydroentangled fluoropolymer fiber bed for a mist eliminator	N/A
5,861,123	Ultraviolet light irradiated ebullating mass transfer system	N/A
5,795,369	Fluted filter media for a fiber bed mist eliminator	N/A
5,730,786	Multiple in-duct filter system	N/A
4,948,398	Multi-candle fiber mist eliminator	N/A
4,838,903	Multi-phase thick-bed filter	N/A
4,432,914	Mass transfer contact apparatus	N/A