

PATENT ASSIGNMENT

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 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
DeZURIK, Inc.	05/23/2010
RECEIVING PARTY DATA	
Name:	WELLS FARGO BUSINESS CREDIT CANADA ULC
Street Address:	55 Standish Court
Internal Address:	Suite 400
City:	Mississauga, Ontario
State/Country:	CANADA
Postal Code:	L5R 4J4
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	10993437
CORRESPONDENCE DATA	
Fax Number:	(612)746-4781
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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Correspondent Name:	Pauly, DeVries Smith & Deffner, L.L.C.
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ATTORNEY DOCKET NUMBER:	171.0003US01
NAME OF SUBMITTER:	Melissa J. Pytel
Total Attachments: 9 source=DeZURIK_2010Amended_Restated_Patent_Security_Agreement-CA#page1.tif source=DeZURIK_2010Amended_Restated_Patent_Security_Agreement-CA#page2.tif source=DeZURIK_2010Amended_Restated_Patent_Security_Agreement-CA#page3.tif	

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AMENDED AND RESTATED PATENT SECURITY AGREEMENT

This Amended and Restated Patent Security Agreement (this “**Agreement**”), dated as of May 13, 2010, is made by and between DEZURIK, INC., a Delaware corporation formerly known as Sartell Valves, Inc. and having a business location at the address set forth below next to its signature (the “**Debtor**”), and WELLS FARGO BUSINESS CREDIT CANADA ULC, an Alberta unlimited liability company (the “**Secured Party**”).

Recitals

DEZURIK CANADA, INC., a federal corporation formerly known as 7093896 Canada Inc. (the “**Canadian Subsidiary**”), and the Secured Party are parties to a Credit and Security Agreement dated as of January 29, 2009 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Prior Credit Agreement**”), pursuant to which, among other things, the Secured Party extended credit and other financial accommodations to the Canadian Subsidiary.

As a condition to extending credit to or for the benefit of the Canadian Subsidiary under the Credit Agreement, the Secured Party has required the Debtor to, among other things, guaranty the payment and performance of all of the Canadian Subsidiary’s Obligations (as defined below) under the Credit Agreement pursuant to the terms of a Guaranty dated as of January 29, 2009, made by the Debtor in favor of the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Guaranty**”). The Guaranty is secured by the Pledge and Security Agreement dated as of January 29, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the “**Pledge and Security Agreement**”), made by the Debtor for the benefit of the Secured Party, pursuant to which the Debtor has granted the Secured Party a Security Interest (as defined in the Pledge and Security Agreement) in the Pledged Equity Interests (as defined in the Pledge and Security Agreement) and the Personal Property Collateral (as defined in the Pledge and Security Agreement).

As a further condition to extending credit to or for the account of the Canadian Subsidiary under the Prior Credit Agreement, the Secured Party required the Debtor to further secure the Obligations (as defined below) and the obligations under the Guaranty by executing and delivering that certain Patent Security Agreement dated as of January 29, 2009 by and between the Debtor and the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Prior Patent Security Agreement**”).

The parties intend to amend and restate the Prior Credit Agreement pursuant to that certain Amended and Restated Credit and Security Agreement of even date herewith by and between the Canadian Subsidiary, as borrower, and the Secured Party, as lender (as amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”). As a condition to extending credit to or for the account of the Canadian Subsidiary under the Credit Agreement, the Secured Party has required that the Prior Patent Security Agreement be amended and restated in its entirety pursuant to the terms and subject to the conditions of this Agreement.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement, the Guaranty and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Credit Agreement that are not otherwise defined herein shall have the meanings set forth in the Credit Agreement. In addition, the following terms have the meanings set forth below:

“**Obligations**” has the meaning set forth in the Credit Agreement.

“**Patents**” means all of the Debtor’s right, title and interest in and to patents, expired patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

“**Security Interest**” has the meaning given in Section 2.

“**U.S. Security Interest**” has the meaning set forth in the Pledge and Security Agreement.

2. Security Interest. Subject to the U.S. Security Interest, the Debtor hereby irrevocably pledges, assigns to and grants the Secured Party a security interest (the “**Security Interest**”), with power of sale to the extent permitted by law, in the Patents to secure payment and performance of the Obligations and the Guaranty. As set forth in the Pledge and Security Agreement of even date herewith between the Debtor and the Secured Party (as amended, restated, supplemented or otherwise modified from time to time, the “**Pledge and Security Agreement**”), the Security Interest is coupled with a security interest in substantially all of the Personal Property Collateral (as defined in the Pledge and Security Agreement) of the Debtor.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows:

(a) *Existence; Authority.* The Debtor is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and this Agreement has been duly and validly authorized by all necessary corporate action on the part of the Debtor.

(b) *Patents.* Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall promptly provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) *Affiliates.* As of the date hereof, no Affiliate owns, controls or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents. If after the date hereof any Affiliate owns, controls or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent security agreement substantially in the form of this Agreement.

(d) *Title.* The Debtor has absolute title to each Patent listed on Exhibit A, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all Liens except Permitted Liens and (ii) will keep all Patents free and clear of all Liens except Permitted Liens.

(e) *No Sale.* Except as permitted in the U.S. Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or any interest therein without the Secured Party's prior written consent.

(f) *Defense.* The Debtor will, at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons other than those holding Permitted Liens.

(g) *Maintenance.* The Debtor will at its own expense maintain the Patents to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent and applications therefor. The Debtor covenants that it will neither abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least thirty (30) days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) *Secured Party's Right to Take Action.* If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) *Costs and Expenses.* Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party taking action under subsection (h) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(j) *Power of Attorney.* To facilitate the Secured Party's taking action under subsection (h) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Debtor hereby ratifies all that the Secured Party or its delegate shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the indefeasible payment in full in cash and performance of all Obligations.

4. Debtor's Use of the Patents. The Debtor shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "**Event of Default**"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; (c) the Debtor shall fail to perform any of its obligations under the Guaranty; or (d) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Guaranty.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents, subject to the U.S. Security Interest.

(c) The Secured Party may enforce the Patents and any licenses thereunder, and if the Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such enforcement.

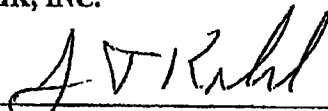
7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents at all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of Minnesota without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. **THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

8. Amendment and Restatement. This Agreement constitutes an amendment to, and a complete restatement of, the Prior Patent Security Agreement.

Signature pages follow

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

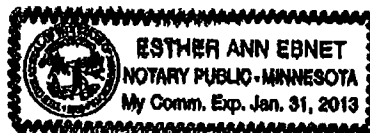
DEZURIK, INC.

By: 
Name: John Kokula
Title: Chief Financial Officer

STATE OF Minnesota)
COUNTY OF Benton)

The foregoing instrument was acknowledged before me this 11 day of May, 2010, by John Kokula, the Chief Financial Officer of DeZURIK, Inc. a Delaware corporation, on behalf of the corporation.


Notary Public



Signature Page to Amended and Restated Patent Security Agreement (Canada)

**WELLS FARGO BUSINESS CREDIT
CANADA ULC**

By: _____

Name: Paul Young
Title: Vice President

STATE/PROVINCE OF Ontario)
Region Peel)
COUNTY OF Peel)

The foregoing instrument was acknowledged before me this 13th day of May, 2010, by Paul Young, a Vice President of Wells Fargo Business Credit Canada ULC, an Alberta unlimited liability company, on behalf of the company.

Notary Public

**PETER B. BEAN
A NOTARY PUBLIC FOR THE
PROVINCE OF ONTARIO
55 Standish Court
Mississauga, Ontario L5R 4J4**

Signature Page to Amended and Restated Patent Security Agreement (Canada)

EXHIBIT A**Patents
Active Patents**

	Patent No.	Country	Title
1.	7,458,559	U.S.	Bi-Directional Knife Gate Valve Apparatus and Method
2.	6,808,056 B2	U.S.	Stop Apparatus and Method for Gear Actuators
3.	6,484,751 B2	U.S.	Position Direction for Rotary Control Valves
4.	6,398,184	U.S.	Lock Device and Lock Method for Knife Gate Valves
5.	6,273,125 B1	U.S.	Compression Key Lockout Device for a Gate Valve
6.	6,045,121	U.S.	Bi-Directional Valve Seal Mechanism
7.	6,044,860	U.S.	Adjustable Lockout Device for Knife Gate Valves
8.	5,865,422	U.S.	Bi-Directional Valve Seal Mechanism
9.	5,836,570	U.S.	Gate Valve Seat
10.	5,618,026	U.S.	Hybrid Rotary Control Valve Assembly
11.	5,226,851	U.S.	Low Backlash Compensating Coupler
12.	5,176,464	U.S.	Mechanical Coupling Particularly Adapted for Coupling a Valve and Actuator
13.	734713	Australia	Gate Valve Seat
14.	2266407	Canada	Gate Valve Seat
15.	2167430	Canada	Hybrid Rotary Control Valve Assembly
16.	8609/97	South Africa	Gate Valve Seat

Patent Applications

Application No.	Country	Title
2007203362	Australia	Bi-Directional Knife Gate Valve Apparatus and Method Seat
2,594,083	Canada	Bi-Directional Knife Gate Valve Apparatus and Method Seat
2007/06042	South Africa	Bi-Directional Knife Gate Valve Apparatus and Method Seat
12/104,737	United States of America	Resilient Seated Butterfly Valve with Interchangeable Off-Center and On-Center Discs
2588788	Canada	Plug valve with improved flow capacity
200580046006.10	China	Plug valve with improved flow capacity
5852136	European Patent Office	Plug valve
2007-543496	Japan	Plug valve with improved flow capacity
10/993,437	United States of America	Plug valve with improved flow capacity
FI990587	Finland	Gate valve seat
BR P10703113	Brazil	Bi-directional knife gate valve apparatus and method

Expired Patents

	Patent No. / App. No.	Country	Title
1	AU2636300	Australia	Adjustable lockout device for knife gate valves
2	AU2736800	Australia	Position detection for rotary control valves
3	AU245040	Australia	Pneumatic volume booster for valve positioner
4	AU2676897	Australia	Bi-directional valve seal mechanism
5	CA2250737	Canada	Bi-directional valve seal mechanism
6	CA2045236	Canada	Mechanical coupling particularly adapted for coupling a valve and actuator

7	CA2362252	Canada	Position detection for rotary control valves
8	CA2394991	Canada	Pneumatic volume booster for valve positioner
9	CA2423350	Canada	Pneumatic volume booster for valve positioner
10	CN1219226	China	Bi-directional valve seal mechanism
11	EP0900344	Europe	Bi-directional valve seal mechanism
12	EP1163466	Europe	Position detection for rotary control valves
13	EP1244875	Europe	Pneumatic volume booster for valve positioner
14	EP1409900	Europe	Pneumatic volume booster for valve positioner
15	FI960586	Finland	Hybrid rotary control valve assembly
16	JP2000508742	Japan	Bi-directional valve seal mechanism
17	WO0045077	Paris Convention	Adjustable lockout device for knife gate valves
18	WO9815758	Paris Convention	Gate valve seat
19	WO9739264	Paris Convention	Bi-directional valve seal mechanism
20	WO0050796	Paris Convention	Position detection for rotary control valves
21	WO0146595	Paris Convention	Pneumatic volume booster for valve positioner
22	WO03010452	Paris Convention	Pneumatic volume booster for valve positioner
23	PCT/US2008/060611	PCT	Resilient Seated Butterfly Valve with Interchangeable Off-Center and On-Center Discs
24	US6244296	United States	Position detection for rotary control valves
25	US6659247	United States	Pneumatic volume booster for valve positioner
26	US6668848	United States	Pneumatic volume booster for valve positioner
27	US6105484	United States	Lockout device for valve actuators
28	US4589628	United States	Unitary bearing and locator assembly for rotatable valves
29	US4558605	United States	Valve actuator coupling
30	US4519583	United States	Retainer for a replacable valve seat
31	US4971288	United States	Valve actuator with hydraulic damper
32	US4640492	United States	Involute valve closure
33	6,357,335	United States	Pneumatic Volume Booster for Valve Positioner
34	6,257,273	United States	Adjustable Lockout Device for Knife Gate Valve