

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
AERCO INTERNATIONAL, INC.		11/21/2007	CORPORATION: NEW JERSEY

RECEIVING PARTY DATA

Name:	KEYBANK NATIONAL ASSOCIATION
Street Address:	127 Public Square
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	National Association:

PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	2185730	WATERWIZARD
Registration Number:	1925313	HEAT YOU CAN BANK ON
Registration Number:	1904243	HEAT SMART
Registration Number:	2155123	BENCHMARK
Registration Number:	1092237	LOADALERT
Serial Number:	78921284	AERCO INNOVATION
Serial Number:	77108356	AERCO INNOVATION
Serial Number:	78805605	C-MORE

CORRESPONDENCE DATA

Fax Number: (415)393-9887
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 415.954.0200
 Email: trademark@ssd.com
 Correspondent Name: Francesca Crisera, Esq.

CH \$215.00 2185730

Address Line 1: Squire, Sanders & Dempsey L.L.P.
Address Line 2: One Maritime Plaza, Suite 300
Address Line 4: San Francisco, CALIFORNIA 94111-3492

ATTORNEY DOCKET NUMBER:	020687.53
NAME OF SUBMITTER:	Francesca Crisera
Signature:	/francesca crisera/
Date:	01/04/2008

Total Attachments: 18

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INTELLECTUAL PROPERTY SECURITY AGREEMENT- SUBSIDIARY

RECITALS:

This Intellectual Property Security Agreement (as amended, restated or otherwise modified from time to time, this "Agreement"), is executed and delivered at Cleveland, Ohio as of this 21st day of November, 2007, by AERCO INTERNATIONAL, INC., a New Jersey corporation, as successor to AERCO INTERNATIONAL, INC. (together with its successors and assigns, the "Pledgor"), to KEYBANK NATIONAL ASSOCIATION, as agent (in that capacity, "Agent") for the lending institutions named in Schedule 1 to the Credit Agreement, as hereinafter defined (the "Lenders").

AERCO INTERNATIONAL ACQUISITION COMPANY, a New Jersey corporation (together with its successors and assigns, including Pledgor, the "Borrower") and AHC HOLDING COMPANY, INC., a Delaware corporation (together with its successors and assigns, "Parent"), have entered into the Credit Agreement, as hereinafter defined, with Agent and the Lenders.

Pledgor and Agent have entered into the Guaranty of Payment of Debt, dated as of even date herewith (as it may be amended, restated, modified or supplemented from time to time, the "Guaranty") pursuant to which the Pledgor absolutely and unconditionally guarantees the prompt payment in full of all of the Secured Debt (as defined in the Credit Agreement) as provided therein.

Pledgor understands that Agent and the Lenders are willing to continue to grant such financial accommodations to Borrower under the Credit Agreement only upon certain terms and conditions, one of which is that Pledgor grants to Agent, for the benefit of the Lenders, a security interest in, and an assignment of, the Collateral, as hereinafter defined, and this Agreement is being executed and delivered in consideration of each financial accommodation granted to Borrower by the Lenders under the Credit Agreement, as hereinafter defined, and for other valuable considerations.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1 Definitions. As used herein, the following terms shall have the following meanings:

"Assignment" shall mean an Assignment in the form of Exhibit A hereto.

"Collateral" shall mean, collectively, all of Pledgor's existing and future (a) Patents; (b) Trademarks; (c) Licenses; (d) all of the goodwill of Pledgor's business, including, but not limited to, all goodwill connected with and symbolized by the Trademarks; and (e) proceeds of any of the foregoing.

"Credit Agreement" shall mean the Credit and Security Agreement executed by and among Borrower, Parent, Agent and the Lenders and dated as of even date herewith, as it may from time to time be amended, restated or otherwise modified.

"Debt" shall mean, the Secured Debt as defined in the Credit Agreement and all obligations of the Pledgor under the Guaranty.

“Licenses” shall mean any Copyright License, Patent License, Trademark License or other license agreement with any other party, whether Pledgor is a licensor or licensee under any such license agreement, including, without limitation, the licenses listed on Schedule C attached hereto and made a part hereof, and the right to prepare for sale, sell and advertise for sale, all Inventory now or hereafter owned by Pledgor and now or hereafter covered by such licenses.

“Patent” shall mean any letters patent of the United States or any other country and any registration or recording of any letters patent, any application for letters patent in the United States or any other country, including, without limitation, any such registration, recording, or application in the PTO or in any similar office or agency of the United States, any State thereof, or any other country or political subdivision of such other country, including without limitation, those patents and patent applications listed on Schedule A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; (d) all rights corresponding thereto throughout the world.

“PTO” shall mean the United States Patent and Trademark Office in Washington, D.C.

“Trademark” shall mean any trademark, trade name, corporate name, business name, domain name, trade style, service mark, logo, source identifier, business identifier, design, or intangible thing of like nature, any registration or recording of the foregoing or any thereof, and any application in connection therewith, including, without limitation, any such registration, recording, or application in the PTO or in any similar office or agency of the United States, any State thereof, or any other country or political subdivision of such other country (except for “intent to use” applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Schedule B attached hereto and made a part hereof, and (a) renewals thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payment for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world.

Capitalized terms used in this Agreement without definition have the meanings ascribed to such terms in the Credit Agreement.

Section 2 Grant of Security Interest. In consideration of and as security for the full and complete payment of all of the Debt, Pledgor hereby agrees that Agent shall at all times have, and hereby grants to Agent, for the benefit of the Lenders, a security interest in all of the Collateral, including (without limitation) all of Pledgor’s future Collateral, irrespective of any lack of knowledge by Agent or the Lenders of the creation or acquisition thereof.

Section 3 Warranties and Representations. Pledgor represents and warrants to Agent and the Lenders that as of the date hereof:

(a) Pledgor owns all of the Collateral and, whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable;

(b) Pledgor has no knowledge of any claim that the use of any of the Collateral does or may violate the rights of any Person;

(c) except for Permitted Liens, Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Pledgor not to sue third Persons;

(d) Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms;

(e) Pledgor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral, except where the failure to do so will not have a Material Adverse Effect;

(f) Pledgor represents and warrants that it is the true and lawful owner or licensee of the Trademarks listed on Schedule B attached hereto and made a part hereof, and that said listed Trademarks constitute all the marks registered in the PTO as of the date hereof that such Pledgor now owns or uses in connection with its business, other than any such marks which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that as of the date hereof it owns or is licensed to use all Trademarks that it uses, and that it owns all of the registrations listed on Schedule B. Pledgor further warrants that as of the date hereof it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any Trademark in a manner which would reasonably be expected to have a Material Adverse Effect; and

(g) Pledgor represents and warrants that it is the true and lawful owner or licensee of all rights in the Patents listed on Schedule A, attached hereto and made a part hereof, that as of the date hereof said Patents constitute all the United States patents and applications for United States patents that Pledgor now owns, other than any such patents, applications and registrations which are (i) owned but not used and (ii) not material to its business. Pledgor represents and warrants that it owns or is licensed to practice under all Patents that it owns, uses or practices under. Pledgor further warrants that as of the date hereof it is aware of no third party claim that any aspect of Pledgor's present or contemplated business operations infringes or will infringe any Patent in a manner which would reasonably be expected to have a Material Adverse Effect.

Section 4 Further Assignment Prohibited. Pledgor shall not enter into any agreement that is inconsistent with Pledgor's obligations under this Agreement and shall not otherwise sell or assign its interest in, or grant any license or sublicense with respect to, any of the Collateral other than in the ordinary course of business consistent with past practice without Agent's prior written consent which shall not be unreasonably withheld. Absent such prior written consent, any such attempted sale or license is null and void.

Section 5 Right to Inspect. Pledgor hereby grants to Agent and the Lenders and their employees and agents the right to visit any location of Pledgor and to inspect Pledgor's books and records and to make excerpts therefrom and transcripts thereof at such times and upon such notice as is set forth in Section 5.23 of the Credit Agreement.

Section 6 Standard Patent and Trademark Use. Pledgor shall not knowingly use the Collateral in any manner that would jeopardize the validity or legal status thereof. Pledgor shall comply with all patent marking requirements as specified in 35 U.S.C. §287. Pledgor shall further conform its usage of any material trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and SM where appropriate.

Section 7 Event of Default.

(a) Pledgor expressly acknowledges that Agent may record this Agreement with the PTO. Contemporaneously herewith, Pledgor shall also execute and deliver to Agent the Assignment, which Assignment shall have no force and effect and shall be held by Agent, in escrow, until the occurrence of and during the continuance of an Event of Default; provided that, anything herein to the contrary notwithstanding, the security interest granted herein shall be effective as of the date of this Agreement. After the occurrence and during the continuance of an Event of Default (unless such Event of Default has been cured or waived prior to Agent providing the notice provided for in this paragraph), the Assignment shall take effect immediately upon certification of such fact by an authorized officer of Agent in the form attached as Exhibit A and upon written notice to Pledgor and thereafter Agent may, in its sole discretion, record the Assignment with the PTO.

(b) If an Event of Default shall occur and be continuing, Pledgor irrevocably authorizes and empowers Agent, on behalf of the Lenders, to terminate Pledgor's use of the Collateral and to exercise such rights and remedies as allowed by law. Without limiting the generality of the foregoing, Agent may immediately sell at public or private sale, in a commercially reasonable manner, or otherwise realize upon all or, from time to time, any of the Collateral, together with the associated goodwill, or any interest that Pledgor may have therein, and, after deducting from the proceeds of sale or other disposition of the Collateral all reasonable expenses (including all reasonable expenses for attorneys' and brokers' fees and other legal services), Agent shall apply such proceeds against payment of the Debt (other than contingent indemnification obligations). Any remainder of the proceeds, after payment in full of the Debt, shall be distributed in accordance with Chapter 1309 of the Ohio Revised Code. Notice of any sale or other disposition of the Collateral shall be given to Pledgor at least ten (10) business days before the time of any intended public or private sale or other disposition of the Collateral is to be made, which Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Collateral sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

Section 8 Termination. At such time as the Debt has been irrevocably paid in full (other than contingent indemnification obligations), the Commitment has terminated, and the Credit Agreement has terminated, this Agreement shall terminate and Agent shall, upon Pledgor's request, execute and deliver to Pledgor, at Pledgor's expense, all deeds, assignments, and other instruments as Pledgor shall reasonably request to evidence the release of Agent's security interest in the Collateral in connection with such termination, subject to any disposition thereof, that may have been made by Agent pursuant hereto; provided, however that the provisions of Section 9, Section 11, Section 23, Section 24, Section 25, Section 26 and Section 27 shall survive any termination of this Agreement.

Section 9 Maintaining Collateral, Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral, provided that Pledgor shall not be obligated to maintain any Collateral in the event Pledgor determines, in the reasonable business judgment of Pledgor, that the maintenance of such Collateral is no longer material to Pledgor's business. Any and all reasonable fees, costs and expenses, of whatever kind or nature, including, without limitation, the reasonable attorneys' fees and legal expenses incurred by Agent in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any material taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out

of or related to the Collateral, shall be borne and paid by Pledgor, within ten (10) days of demand by Agent, and, until so paid, shall be added to the principal amount of the Debt.

Section 10 Pledgor's Obligations to Prosecute. Except as otherwise agreed to by Agent in writing, if Pledgor determines in the reasonable business judgment of Pledgor that the maintenance of such collateral is no longer necessary, Pledgor shall have the duty to prosecute diligently any patent application or trademark application pending as of the date of this Agreement or thereafter until the Debt shall have been paid in full (other than contingent indemnification obligations), and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including, but not limited to, payment of any maintenance fees. Any reasonable expenses incurred by Agent in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral without the prior written consent of Agent, unless such abandonment will not have a Material Adverse Effect on Pledgor or such abandonment is in connection with the abandonment of a product or product line.

Section 11 Agent's Rights to Enforce. Pledgor shall have the right but not the obligation to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Collateral. Agent and the Lenders shall have the right, but shall have no obligation, to join in any such action during the existence of an Event of Default. Pledgor shall promptly, and in any event within ten (10) days of demand, reimburse and indemnify Agent for all damages, reasonable costs and expenses, including attorneys' fees incurred by Agent in connection with the provisions of this Section 11, in the event Agent elects to join in any such action commenced by Pledgor.

Section 12 Power of Attorney. Pledgor hereby authorizes and empowers Agent, on behalf of the Lenders, to make, constitute and appoint any officer or agent of Agent as Agent may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, after the occurrence and during the continuance of an Event of Default, with the power to endorse Pledgor's name on all applications, documents, papers and instruments necessary for Agent to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or necessary for Agent to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated goodwill to a third party or parties. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

Section 13 Agent's Right to Perform Obligations. If Pledgor materially fails to comply with any of its obligations under this Agreement, Agent, on behalf of the Lenders, may, but is not obligated to, after reasonable notice to Pledgor, do so in Pledgor's name or in Agent's name, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Agent on demand in full for all reasonable expenses, including reasonable attorneys' fees, incurred by Agent in protecting, defending and maintaining the Collateral.

Section 14 Additional Documents. Pledgor shall, upon written request of Agent, enter into such additional documents or instruments as may be reasonably required by Agent in order to effectuate, evidence or perfect Agent's interests in the Collateral as evidenced by this Agreement.

Section 15 New Collateral. If, before the Debt shall have been satisfied in full (other than contingent indemnification obligations), Pledgor shall obtain rights to any new Collateral, the provisions of Section 2 and Section 7 hereof shall automatically apply thereto as if the same were identified on Schedules A, B or C attached hereto and made a part hereof as of the date hereof, and Pledgor shall give Agent prompt written notice thereof.

Section 16 Modification for New Collateral. Pledgor hereby authorizes Agent to modify this Agreement by amending Schedules A, B and/or C to include any future Collateral as contemplated by Section 2 and Section 15 hereof and, at Agent's request, Pledgor shall execute any documents or instruments reasonably required by Agent in order to modify this Agreement as provided in this Section 16, provided that any such modification to Schedules A, B and/or C shall be effective without the signature of Pledgor. Pledgor hereby acknowledges that Agent may refile or re-record this Agreement with the PTO, together with any such modification to Schedules A, B and/or C.

Section 17 No Waiver. No course of dealing between Pledgor and Agent and the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of Agent or the Lenders, any right, power or privilege hereunder or under any of the Loan Documents 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.

Section 18 Remedies Cumulative. All of the rights and remedies of Agent and the Lenders with respect to the Collateral, whether established hereby or by the Loan Documents, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

Section 19 Severability. The provisions of this 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 Agreement in any jurisdiction.

Section 20 Modifications. Except as provided in Section 16 hereof, this Agreement may be amended or modified only by a writing signed by Pledgor and Agent, on behalf of the Lenders. In the event that any provision herein is deemed to be inconsistent with any provision of any other document, other than the Credit Agreement, the provisions of this Agreement shall control.

Section 21 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, except that Pledgor may not assign any of its rights or duties hereunder without the prior written consent of Agent. Any attempted assignment or transfer without the prior written consent of Agent shall be null and void.

Section 22 Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Pledgor, mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement, if to Agent or any Lender, mailed or delivered to it, addressed to the address of Agent or such Lender specified on the signature pages of the Credit Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be given by overnight delivery or first class mail with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that all notices hereunder shall not be effective until received.

Section 23 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Ohio, without regard to principles of conflicts of law. Pledgor hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, any Loan Document or any Related Writing, and Pledgor hereby irrevocably agrees that all claims in respect of such action or

proceeding may be heard and determined in such Ohio state or federal court. Pledgor hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Pledgor agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 24 Indemnity: Administration and Enforcement. Pledgor will reimburse Agent, on Agent's demand from time to time, for any and all reasonable fees, costs, and reasonable expenses (including, without limitation, the reasonable fees and disbursements of legal counsel) incurred by Agent in administering this Agreement and in protecting, enforcing, or attempting to protect or enforce its rights under this Agreement, together with interest thereon, following notice received by Pledgor.

Section 25 Unconditional and Continuing Security Interest. Pledgor's obligations under this Agreement and the granting of a security interest to Agent pursuant to this Agreement are unconditional and effective immediately, and (except for obligations surviving indefinitely pursuant to Section 8) those obligations and the security interest so granted shall continue in full effect until the Debt shall have been paid in full (other than contingent indemnification obligations), regardless of the lapse of time, regardless of the fact that there may be a time or times when no Debt is outstanding, regardless of any act, omission, or course of dealing whatever on the part of Agent and the Lenders, or any of them, and regardless of any other event, condition, or thing. Without limiting the generality of the foregoing, neither the amount of the Debt for purposes of this Agreement, nor Pledgor's obligations under this Agreement, nor the security interest granted pursuant to this Agreement shall be diminished or impaired by:

(a) the granting by Agent or any Lender of any credit to any Obligor, whether or not liability therefor constitutes Debt, or any failure or refusal of Agent or any Lender to grant any other credit to any Obligor even if Agent or any Lender thereby breaches any duty or Commitment to Borrower or any other Person,

(b) the application by Agent or any Lender of credits, payments, or proceeds to any portion of the Debt,

(c) any extension, renewal, or refinancing of the Debt in whole or in part,

(d) any amendment, restatement, or other modification of any kind in, to, or of any Related Writing, or any consent or other indulgence granted to any Obligor, or any waiver of any Event of Default (under this Agreement or the Credit Agreement),

(e) any acceptance of security for or any other Obligor on the Debt or any part thereof, or any release of any security or other Obligor, whether or not Agent or any Lender receive consideration for the release,

(f) any discharge of the Debt in whole or in part under any bankruptcy or insolvency law or otherwise,

(g) the failure of Agent or any Lender to make any presentment or demand for payment, to assert or perfect any claim, demand, or interest, or to enforce any right or remedy, or any delay or neglect by Agent or any Lender in respect of the Debt or any part thereof or any security therefor,

(h) any failure to give Pledgor notice of (i) the making of any loan or other credit extension or the terms, conditions, and other provisions applicable thereto, (ii) any dishonor by Pledgor or any other Obligor, or (iii) the inaccuracy or incompleteness of any representation, warranty, or other statement made by any Obligor, or

(i) any defense that may now or hereafter be available to any Obligor, whether based on suretyship, impairment of collateral, accord and satisfaction, breach of warranty, breach of contract, failure of consideration, tort, lack of capacity, usury, or otherwise, or any illegality, invalidity, or unenforceability of the Debt or any part thereof or of any Related Writing.

Section 26 No Setoff; Rights Against Other Obligors. Pledgor hereby (a) waives all now existing or hereafter arising rights to recoup or offset any obligation of Pledgor under this Agreement against any claim or right of Pledgor against Agent or any Lender, (b) waives all rights of exoneration now or hereafter arising out of or in connection with this Agreement, and (c) agrees that unless and until all of the Debt shall have been paid in full (other than contingent indemnification obligations), Pledgor will not assert against any other Obligor or any other Obligor's property any rights (including, without limitation, contribution, indemnification, reimbursement, and subrogation) now or hereafter arising (whether by contract, operation of law, or otherwise) out of or in connection with this Agreement.

This Agreement is being executed and delivered primarily for recording purposes with the United States Patent and Trademark Office; to the extent of any inconsistency between this Agreement and the Security Agreement, the Security Agreement shall govern and control.

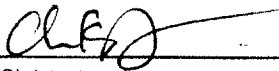
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Section 27 JURY TRIAL WAIVER. PLEDGOR, AGENT AND THE LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, THE LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND THE LENDERS, OR ANY OF THEM.

Address: 159 PARIS AVE
ANDOVER, MASS
01947

AERCO INTERNATIONAL, INC.

Attention: _____

By: 
Name: Christopher K. Jones
Title: Vice President and Secretary

with a copy to:

The Riverside Company
Rockefeller Plaza

630 Fifth Avenue, Suite 2400
New York, New York 10111
Attn: Chief Financial Officer

KEYBANK NATIONAL ASSOCIATION,
as Agent

By: _____
Name: _____
Title: _____

Section 27 JURY TRIAL WAIVER. PLEDGOR, AGENT AND THE LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, THE LENDERS AND PLEDGOR, OR ANY OF THEM, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF ANY LENDER TO PURSUE REMEDIES PURSUANT TO ANY PROVISION CONTAINED IN ANY NOTE, OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG PLEDGOR, AGENT AND THE LENDERS, OR ANY OF THEM.

Address: _____

AERCO INTERNATIONAL, INC.

Attention: _____

By: _____

Name: _____

Title: _____

with a copy to:

The Riverside Company
Rockefeller Plaza
630 Fifth Avenue, Suite 1530
New York, New York 10011
Attn: Chief Financial Officer

KEYBANK NATIONAL ASSOCIATION,
as Agent

By:  _____

Name: David Eaton

Title: Senior Vice President

STATE OF Ohio)
COUNTY OF Cuyahoga)SS:

BEFORE ME, the undersigned authority, on this day personally appeared [Signature], known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said AERCO INTERNATIONAL, INC., a New Jersey corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of _____, 2007.

[Signature]
Notary Public
My commission expires:

LINDA J. MONTGOMERY
NOTARY PUBLIC • STATE OF OHIO
My commission expires Sept. 10, 2011

SCHEDULE A

Patents

Grantor	Patent Titles	Country	Patent No.	Application No.	Filing Date	Issue Date
Aerco International, Inc.	WATER HEATING SYSTEM WITH AUTOMATIC TEMPERATURE CONTROL	U.S.	6,445,880	09872784	June 1, 2001	September 3, 2002
Aerco International, Inc.	MODULATING FUEL GAS BURNER	U.S.	6,435,862	09650953	August 29, 2000	August 20, 2002
Aerco International, Inc.	WATER HEATING SYSTEM	U.S.	5,881,681	08787823	January 23, 1997	March 16, 1999
Aerco International, Inc. (owner of 40% interest in Aerco Korea Co, Ltd.)	WATER HEATING MACHINE WITH AUXILIARY COOLING COIL	South Korea	KR20010094515	KR2000- 0016859	March 31, 2000	November 1, 2001
Aerco International, Inc. (owner of 40% interest in Aerco Korea Co, Ltd.)	DEVICE FOR SENSING LOAD IN ADVANCE FOR WATER HEATER	South Korea	KR20010094514	KR2000- 0016858	March 31, 2000	November 1, 2001
Aerco International, Inc.	WATER HEATING SYSTEM	Mexico	215478			January 22, 1998

SCHEDULE B

Trademarks

Grantor	Do- main Name/ Mark	Coun- try	Mark	Reg. No.	Applica- tion No.	Filing Date	Issue Date
Aerco International, Inc	Word Mark	U.S.	AERCO INNOVATION		78921284	June 30, 2006	July 31, 2007
Aerco International, Inc	Word Mark	U.S.	AERCO INNOVATION		77108356	February 15, 2007	November 6, 2007
Aerco International, Inc	Word Mark	U.S.	C-MORE	-----	78805605	February 2, 2006	Pending
Aerco International, Inc	Word/D esign Mark	U.S.	WATERWIZARD & Design	2185730	75314558	June 25, 1997	September 1, 1998
Aerco International, Inc	Word Mark	U.S.	HEAT YOU CAN BANK ON	1925313	74528415	May 23, 1994	October 10, 1995
Aerco International, Inc	Word Mark	U.S.	HEAT SMART	1904243	74530012	May 26, 1994	July 11, 1995
Aerco International, Inc	Word Mark	U.S.	BENCHMARK	2155123	74633891	February 13, 1995	May 5, 1998
Aerco International, Inc	Word Mark	U.S.	LOADALERT	1092237	73123160	April 18, 1977	May 30, 1978
Aerco International, Inc	Word/D esign Mark	China	AERCO & Design	322096	322096	September 24, 1987	August 30, 1988
Aerco International, Inc	Word Mark	China	LOADALERT	321246	321246	September 4, 1987	August 20, 1988
Aerco International, Inc	Word Mark	China	A-PLUS	1207432	1207432	August 11, 1997	September 14, 1998
Aerco International, Inc	Word/D esign Mark	China	WATERWIZARD & Design	1209656	1209656	August 11, 1997	September 21, 1998
Aerco International, Inc	Word Mark	China	E-PLUS	1207434	1207434	August 11, 1997	September 14, 1998
Aerco International, Inc	Word Mark	China	B-PLUS	1207433	1207433	July 31, 1997	September 14, 1998
Aerco International, Inc	Word Mark	Ireland	AERCO	111902	111902	June 16, 1982	March 5, 1986
Aerco International, Inc	Word Mark	Ireland	ANGELERY	102866	102866	December 15, 1981	June 13, 1984
Aerco International, Inc	Word Mark	Ireland	ANGELERY	102865	102865	December 15, 1981	June 13, 1984
Aerco International, Inc	Word Mark	South Korea	BENCHMARK	400458939	40-1998- 0024200	September 18, 1998	November 18, 1999
Aerco International, Inc	Word Mark	South Korea	AERCO	400429619	40-1997- 0035236	July 29, 1997	November 16, 1998
Aerco International, Inc	Word/D esign Mark	South Korea	WATERWIZARD & Design	400429656	40-1997- 0039569	August 20, 1997	November 16, 1998
Aerco International, Inc	Word Mark	United King-	AERCO	1176704	1176704	June 12, 1982	May 1, 1985

Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	1121314	1121314	September 25, 1979	September 23, 1981
Aerco International, Inc	Word Mark	United Kingdom	MODUMATIC	1121315	1121315	September 25, 1979	June 17, 1981
Aerco International, Inc	Word Mark	United Kingdom	AERCO	1121313	1121313	September 25, 1979	August 4, 1982
Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	886109	886109	October 27, 1965	June 8, 1966
Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	886108	886108	October 27, 1965	June 8, 1966
Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	886107	886107	October 27, 1965	June 8, 1966
Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	886106	886106	October 27, 1965	June 8, 1966
Aerco International, Inc	Word Mark	United Kingdom	ANGELERY	886110	886110	October 27, 1965	June 29, 1966

SCHEDULE C

Licenses

1. Development Work and Intellectual Property Rights Agreement for Quenching Boiler between Aerco International, Inc. and Alex Kravets, dated March 14, 2007
2. Trademark License Agreement between Aerco International, Inc. and Baoding Taihang Aerco Engineering Co., Ltd., dated October 6, 1994
3. Technology License and Technical Assistance Agreement between Aerco International, Inc. and Baoding Taihang Aerco Engineering Co., Ltd., dated October 6, 1994
4. Manufacturing License and Distributorship Agreement between Aerco International, Inc. and Baoding Taihang Can-Am Industrial Co., Ltd., dated October 30, 1998
5. Mutual Business Agreement between Novar Controls and Aerco International, Inc. dated September 2002 (agreement provides that Aerco owns IP)
6. Proposal by Caradon Custom Controls Re Project No. E-226, dated September 30, 1999, as amended January 13, 2000
7. Proposal by Caradon Custom Controls Re Project No. E-226, dated September 30, 1999, as amended January 13, 2000 and February 17, 2000
8. Proposal by Caradon Custom Controls Re Project No. E-226, dated February 28, 2000, as amended April 12, 2000 and May 3, 2000
9. Know-How Licensing Agreement between Columbia Boiler Company of Pottstown and Aerco International, Inc., dated as of July 30, 1998
10. Know-How Licensing and Consulting Agreement between Aerco International, Inc. and Baoding Taihang Can-Am Industrial Co., Ltd., dated as of October 30, 1998

EXHIBIT A

FORM OF ASSIGNMENT

THIS DOCUMENT SHALL BE HELD BY AGENT IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE INTELLECTUAL PROPERTY SECURITY AGREEMENT, DATED AS OF NOVEMBER 21, 2007 (AS THE SAME MAY FROM TIME TO TIME BE AMENDED, RESTATED OR OTHERWISE MODIFIED, THE "AGREEMENT"), EXECUTED BY AERCO INTERNATIONAL, INC. ("PLEDGOR"), IN FAVOR OF KEYBANK NATIONAL ASSOCIATION, AS AGENT FOR THE LENDERS, AS DEFINED IN THE AGREEMENT (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "AGENT"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF AGENT CERTIFIES THAT AN EVENT OF DEFAULT (AS DEFINED IN THE CREDIT AGREEMENT) HAS OCCURRED AND IS CONTINUING AND THAT AGENT HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL (AS DEFINED IN THE AGREEMENT) ON BEHALF OF AND FOR THE BENEFIT OF THE LENDERS AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

KEYBANK NATIONAL ASSOCIATION,
as Agent

By: _____
Print Name: _____
Title: _____
Date: _____

ASSIGNMENT

WHEREAS, AERCO INTERNATIONAL, INC., a New Jersey corporation ("Pledgor"), is the owner of the Collateral, as defined in the Agreement;

WHEREAS, Pledgor has executed an Intellectual Property Security Agreement, dated as of November 21, 2007 (as the same may from time to time be amended, restated or otherwise modified, the "Agreement") in favor of KEYBANK NATIONAL ASSOCIATION, as Agent for the benefit of the Lenders ("Agent"), as defined in the Agreement, pursuant to which Pledgor has granted to Agent, for the benefit of the Lenders, a security interest in the Collateral as security for the Debt, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in and of the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence and during the continuance of an Event of Default, as defined in the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, Pledgor, its successors and assigns,

subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over unto Agent, its successors, transferees and assigns, all of its existing and future Collateral (as defined in the Agreement), including, but not limited to, the Collateral listed on Schedules A, B, and C of the Agreement (which such schedules shall also be deemed schedules hereto) that is registered in the United States Patent and Trademark Office in Washington, D.C. or that is the subject of pending applications in the United States Patent and Trademark Office.

This Assignment shall be effective only upon the certification of an authorized officer of Agent, as provided above, that (a) an Event of Default, as defined in the Credit Agreement, has occurred and is continuing, and (b) Agent has elected to take actual title to the Collateral.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be executed by its duly authorized officer on November 21, 2007.

AERCO INTERNATIONAL, INC.

By: _____
Print Name: _____
Title: _____

STATE OF _____)
)SS:
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said AERCO INTERNATIONAL, INC., a New Jersey corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2007.

Notary Public
My commission expires: