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D:MICHAEL L. MIXELL, ESQUIRE COMPANY:50 NORTH FIFTH STREET, 2ND FLOOR

## 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
Atlantic Shores Corporation		12/22/2010	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	Sovereign Bank		
Street Address:	601 Penn Street		
City:	Reading		
State/Country:	PENNSYLVANIA		
Postal Code:	18801		
Entity Type:	CORPORATION: national banking association		
PROPERTY NUMBERS Total: 9			
Property Type	Number	Word Mark	
Registration Number:	3541882	PUREFIRE	
Registration Number:	2731557	PEERLESS	
Registration Number:	2189497	PEERLESS	
Registration Number:	2728789	PEERLESS	
Registration Number:	2705413	PINNACLE	
Registration Number:	2189181	PARTNER	
Registration Number:	2400419	FLEX-HEAT	
Registration Number:	2621647	PAVILION	
Registration Number:	3248651	PARTS TO YOUR DOOR	
CORRESPONDENCE DATA			
Fax Number:	(717)291-4880		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	610-808-7159		
Email:	lpdocket@barley.com		
Correspondent Name:	Michael L. Mixell, Esquire		

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C:MICHAEL L. MIXELL, ESQUIRE COMPANY:50 NORTH FIFTH STREET, 2ND FLOOR

Address Line 1:	50 North Fifth Street, 2nd Floor
Address Line 2:	PO Box 942
Address Line 4:	Reading, PENNSYLVANIA 19603
ATTORNEY DOCKET NUMBER:	600662-162
NAME OF SUBMITTER:	Michael L. Mixell
Signature:	/Michael L. Mixell/
Date:	12/23/2010
Total Attachments: 7 source=Trademark assignment#page1.tif source=Trademark assignment#page2.tif source=Trademark assignment#page3.tif source=Trademark assignment#page4.tif source=Trademark assignment#page5.tif source=Trademark assignment#page6.tif source=Trademark assignment#page7.tif	

TO: MICHAEL L. MIXELL, ESQUIRE COMPANY: 50 NORTH FIFTH STREET, 2ND FLOOR

**TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT**

THIS TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (the "Agreement") is made this 22 day of December, 2010, by and between ATLANTIC SHORES CORPORATION, a Delaware corporation, having an address of 103 Foulk Road, Suite 200, Wilmington, DE 19803 (the "Assignor"), and SOVEREIGN BANK, with a place of business at 601 Penn Street, Reading, Pennsylvania 19601 ("Lender").

**BACKGROUND**

Assignor has executed and delivered to the Lender a certain Loan Agreement of even date (the "Loan Agreement"). In addition, pursuant to the Loan Agreement, Assignor has executed and delivered to Lender certain security agreements, financing statements and other documents in connection with the Loan Agreement (all such agreements and documents, hereinafter individually and collectively, as amended from time to time, the "Related Documentation"). In order to secure its obligations to Lender pursuant to the Loan Agreement and the Related Documentation, Assignor has agreed to enter into this Agreement granting Lender certain rights and interests in the Trademarks (as defined below).

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Lender as follows:

1. To secure the complete and timely satisfaction of all indebtedness and obligations of the Assignor to Lender (the "Obligations"), including, but not limited to, all sums owing to Lender pursuant to the Loan Agreement and Related Documentation, Assignor hereby grants, assigns and conveys to Lender a first lien on the entire right, title and interest in and to the trademarks listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds thereof (such as, by way of example, license agreements, license royalties and proceeds of infringement suits), all physical manifestations of the foregoing, the right to sue for past, present and future infringements and all accounts, contract rights and other rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"), and the good will of the business to which each of the Trademarks relates. This Agreement shall constitute a security agreement and the grant of a security interest in the Trademarks under the terms of the applicable Uniform Commercial Code.

2. Assignor covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) Each of the Trademarks is valid and enforceable;

TO: MICHAEL L. MIXELL, ESQUIRE COMPANY; 50 NORTH FIFTH STREET, 2ND FLOOR

(c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;

(d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons;

(e) Assignor has the unqualified right to enter into this Agreement and perform its terms;

(f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and

(g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to Lender and its employees and agents the right to visit Assignor's plant and facilities which manufacture, inspect and/or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours after the giving of reasonable prior written notice to Assignor. Assignor shall do any and all acts required by Lender to ensure Assignor's compliance with Subparagraph 2(g) above.

4. Assignor agrees that, until all of the Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent, which consent shall not be unreasonably withheld by Lender.

5. If, before the Obligations shall have been satisfied in full, Assignor shall obtain rights to any new trademarks of Borrower or Assignor, the provisions of Paragraph 1 above shall automatically apply thereto and Assignor shall give Lender prompt written notice thereof.

6. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks covered by Paragraphs 1 and 5 hereof.

7. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Loan Agreement and/or Related Documentation), Lender hereby consents to Assignor's use of the Trademarks by Assignor or PBH (as defined in the Loan Agreement) or any of their Affiliates (which shall mean, as to any person or entity, any other person or entity (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such person or entity) on and in connection with products sold by Assignor, for Assignor's own benefit and account and for none other. Assignor agrees not to sell or assign its interest in, or grant any license under, Trademarks, without the prior written consent

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of Lender; provided, however, that as concerns any license, the consent of the Lender will not be unreasonably withheld.

8. If any Event of Default shall have occurred and be continuing, Assignor's license under the Trademarks, as set forth in Paragraph 7 above, shall terminate forthwith, and the Lender shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Reading, Pennsylvania, or elsewhere, all or from time to time any of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Obligations. Any remainder of the proceeds after payment in full of the Obligations shall be paid over to the Assignor. Written notice of any sale or other disposition of the Trademarks shall be given to Assignor at least ten (10) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of Assignor, which right is hereby waived and released.

9. At such time as Assignor shall completely satisfy all of the Obligations, this Agreement shall terminate and Lender shall execute and deliver to Assignor, such instruments as may be necessary or proper to re-vest in Assignor full clear title to the Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

10. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses incurred by Lender in connection with the enforcement of any of the provisions of this Agreement 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 taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks, shall be borne and paid by Assignor on written demand by Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Loan Agreement.

11. Assignor shall have the duty, through counsel reasonably acceptable to Lender, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full, to make federal application on registerable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve

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and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademarks without the consent of the Lender, which consent shall not be unreasonably withheld.

12. Prior to the occurrence of an Event of Default, Assignor shall have the right to bring or defend any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks.

13. In the event of the occurrence of an Event of Default under the Loan Agreement and/or Related Documentation, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks, or to grant or issue any exclusive or non-exclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Assignor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the duration of this Agreement.

14. If Assignor fails to comply with any of its obligations hereunder after written notice of such failure and the inaction by Assignor for thirty (30) days following receipt of such notice, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all reasonable expenses, including attorneys' fees, incurred by Lender in protecting, defending and maintaining the Trademarks.

15. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Agreement and/or Related Documentation 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.

16. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Loan Agreement and/or Related Documentation, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

17. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or 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. The Background provisions set forth hereinabove are incorporated herein.

18. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 6 above.

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19. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.


20. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the Commonwealth of Pennsylvania.

WITNESS the execution hereof, under seal, as of the day and year first above written.

**ASSIGNOR:**


**ATLANTIC SHORES CORPORATION**

By:



Name: Robert E. Fish  
Title: President

Attest:



Name: Terry J. Smith  
Title: Supt & COO

**LENDER:**

**SOVEREIGN BANK**

By:



Name: Philip B. Shober  
Title: Senior Vice President

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**SCHEDULE "A" TO TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT**

**A. United States Trademark Registrations**

Trademark	Serial Number	Country
PUREFIRE (boilers)	3,541,662	United States
PEERLESS (and chevron design) (boilers; hot water heaters)	2,731,357	United States
PEERLESS (boilers)	2,183,497	United States
PEERLESS (tank type domestic hot water heaters)	2,728,793	United States
PINNACLE (gas fired hot water boilers)	2,705,413	United States
PARTNER (indirect fired domestic hot water heaters)	2,189,191	United States
FLEX-HEAT (oil and gas fired cast iron hot water and steam heating boilers and indirect fired hot water heaters)	2,400,413	United States
PAVILION (separators for cleaning and purification of air, etc.)	2,921,647	United States
PARTS TO YOUR DOOR (and design) (on-line retail services, for wholesalers and contractors in the heating/ventilation/air conditioning (HVAC), plumbing and home improvement industry, featuring heating, air conditioning, and plumbing supplies, household appliances, and cell phones and cell phone accessories)	3,246,651	United States

**B. Foreign Trademark Registration**

Trademark	Serial Number	Country
PEERLESS (gas and oil fired boilers and hot water heaters)	3279971	China



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COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BERKS

ss.

On this, the 22<sup>nd</sup> day of December, 2010, before me, a Notary Public in and for the Commonwealth and County aforesaid, the undersigned officer, personally appeared Robert E. Fish, who acknowledged himself to be the President of ATLANTIC SHORES CORPORATION, a Delaware corporation, and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Notary Public

