

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|----------------------------------|--|-----------------------|--------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | SECURITY INTEREST | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| API Heat Transfer Inc. | | 06/20/2005 | CORPORATION: |
| RECEIVING PARTY DATA | | | |
| Name: | Antares Capital Corporation, as Agent | | |
| Street Address: | 311 South Wacker Drive, Suite 6400 | | |
| City: | Chicago | | |
| State/Country: | ILLINOIS | | |
| Postal Code: | 60606 | | |
| Entity Type: | CORPORATION: | | |
| PROPERTY NUMBERS Total: 6 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 0932242 | BASCO | |
| Registration Number: | 1083892 | OPTIDESIGN | |
| Registration Number: | 1919561 | TC | |
| Registration Number: | 1033773 | WHITLOCK | |
| Registration Number: | 2762061 | PCR | |
| Registration Number: | 0853552 | | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (312)863-7496 | | |
| | <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | | |
| Phone: | 3128637194 | | |
| Email: | sonya.szot@goldbergekohn.com | | |
| Correspondent Name: | M. Sonya Szot | | |
| Address Line 1: | 55 E. Monroe Street, Suite 2700 | | |
| Address Line 4: | Chicago, ILLINOIS 60603 | | |
| NAME OF SUBMITTER: | M. Sonya Szot | | |

OP \$165.00 0932242

| | |
|---|-----------------|
| Signature: | /M. Sonya Szot/ |
| Date: | 07/18/2005 |
| Total Attachments: 8 source=PDF_Docu#page1.tif source=PDF_Docu#page2.tif source=PDF_Docu#page3.tif source=PDF_Docu#page4.tif source=PDF_Docu#page5.tif source=PDF_Docu#page6.tif source=PDF_Docu#page7.tif source=PDF_Docu#page8.tif | |

**PATENT, TRADEMARK AND COPYRIGHT
SECURITY AGREEMENT**

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT (this "Agreement") is made as of the 20th day of June, 2005, by and among API Heat Transfer Inc., a New York corporation ("Debtor"), and Antares Capital Corporation, a Delaware corporation, as agent ("Agent") for its own benefit and the benefit of the Lenders party to the Credit Agreement described below.

W I T N E S S E T H

WHEREAS, pursuant to a certain Credit Agreement of even date herewith by and among Heat Transfer Enterprises, Inc. and Debtor (each individually a "Borrower" and collectively, "Borrowers"), Agent, and the Lenders party thereto (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), the Lenders have agreed to make certain loans and extend certain other financial accommodations to Borrowers;

WHEREAS, a certain Security Agreement of even date herewith among Agent, Borrowers, and certain affiliates of Borrowers (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") grants to Agent, for its own benefit and the benefit of the Lenders, a continuing security interest in, among other things, substantially all of Debtor's assets, including, without limitation, its patents, patent rights and applications therefor, trademarks and applications therefore (other than "intent to use" applications until a verified statement of use or amendment to allege use is filed with respect to such applications), copyrights and all applications and registrations therefor, license rights and goodwill;

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

1. Incorporation of Security Agreement; Credit Agreement Definitions. The Security Agreement and the provisions thereof are hereby incorporated herein in their entirety by this reference thereto. Capitalized terms used but not defined herein shall have the respective meanings given thereto in the Credit Agreement.

2. Grant of Security Interest. To secure the complete and timely payment and satisfaction of the Obligations, Debtor hereby grants to Agent, for its own benefit and on behalf of the Lenders, a continuing security interest in Debtor's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising:

(a) any patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all patentable inventions, including, without limitation, the issued patents and patent applications listed on Schedule A

attached hereto, and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (collectively, the "Patents");

(b) any copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Schedule B attached hereto, and all renewals of any of the foregoing, all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (collectively, the "Copyrights");

(c) any trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith (other than "intent to use" applications until a verified statement of use or amendment to allege use is filed with respect to such applications), including, without limitation, the trademark registrations and applications listed in Schedule C attached hereto and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (collectively, the "Trademarks"); and

(d) all rights corresponding to any of the foregoing throughout the world and the goodwill of Debtor's business connected with the use of and symbolized by the Trademarks.

In addition to, and not by way of limitation of, all other rights granted to Agent under this Agreement, Debtor hereby assigns, transfers and conveys, effective upon notice from Agent to Debtor after the occurrence and during the continuance of any Event of Default, to Agent, for its own benefit and on behalf of the Lenders, all of the Patents, Copyrights and Trademarks, together with the rights and goodwill described in clause (d) above to the extent necessary to enable Agent to realize on such property and any successor or assign to enjoy the benefits thereof. This right and assignment shall inure to the benefit of Agent and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and assignment is granted free of charge, without requirement that any monetary payment whatsoever (including, without limitation, any royalty or license fee) be made to Debtor or any other Person by Agent (except that if Agent shall receive proceeds from the disposition of any such property, such proceeds shall be applied to the Obligations).

3. Reports of Applications. The Patents, Copyrights and Trademarks listed on Schedules A, B and C, respectively, constitute all of the United States and foreign issued patents, issued copyrights and registered trademarks, and all of the federal applications therefor now owned by Debtor. Debtor shall provide Agent on an annual basis with a list of all patents, copyrights and trademarks issued, registered or applied for by Debtor subsequent to the issuance of the previous list, which patents, copyrights and trademarks, if any, shall be subject to the terms and conditions of the Security Agreement and this Agreement.

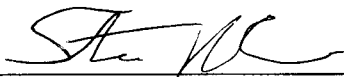
4. Effect on Credit Agreement; Cumulative Remedies. Debtor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent or the Lenders under the Credit Agreement or the Security Agreement but rather is intended to supplement and facilitate the exercise of such rights and remedies. All of the rights and remedies of Agent and the Lenders with respect to the Patents, Copyrights and Trademarks, whether established hereby, by the Credit Agreement or the Security Agreement, by any other agreements, or by law, shall be cumulative and may be exercised singularly or concurrently. NOTWITHSTANDING ANY PROVISION HEREIN CONTAINED TO THE CONTRARY, NEITHER AGENT NOR ANY LENDER SHALL HAVE THE RIGHT TO USE AND ENFORCE THE PATENTS, COPYRIGHTS AND TRADEMARKS UNLESS AND UNTIL THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, AND UNTIL THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT DEBTOR SHALL HAVE ALL OF SUCH RIGHTS.

5. Binding Effect; Benefits. This Agreement shall be binding upon Debtor and its respective successors and assigns, and shall inure to the benefit of Agent and its successors and assigns.

6. APPLICABLE LAW; SEVERABILITY. THIS AGREEMENT SHALL BE CONSTRUED IN ALL RESPECTS IN ACCORDANCE WITH, AND GOVERNED BY, ALL OF THE PROVISIONS OF THE ILLINOIS UNIFORM COMMERCIAL CODE AND BY THE OTHER INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, EXCEPT FOR THE PERFECTION AND ENDORSEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS OR, AS APPLICABLE, BY THE LAWS OF THE UNITED STATES OF AMERICA. WHENEVER POSSIBLE, EACH PROVISION OF THIS AGREEMENT SHALL BE INTERPRETED IN SUCH A MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS AGREEMENT SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISIONS OR THE REMAINING PROVISIONS OF THIS AGREEMENT.

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

API HEAT TRANSFER INC.

By: 
Name: Steve Lodge
Title: Treasurer

Accepted and Agreed to:

ANTARES CAPITAL CORPORATION,
as Agent

By: _____
Name: _____
Title: _____

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

API HEAT TRANSFER INC.

By: _____
Name: _____
Title: _____

Accepted and Agreed to:

ANTARES CAPITAL CORPORATION,
as Agent

By: *David Bany*
Name: _____
Title: *Director*

**SCHEDULE A
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT
PATENTS**

| <u>Country</u> | <u>Current Applicant/Owner</u> | <u>Serial/Patent No.</u> |
|----------------------|--------------------------------|---|
| United States | API Heat Transfer Inc. | 10/879,224 (serial) [#] |
| United States | API Heat Transfer Inc. | 5,845,505 |
| | | Patent Family of US 5845505: WO 9854521 CA 2292396 EP 1015825 US 6085529 AU 7716398 |
| United States | API Heat Transfer Inc. | 6,085,529 |
| United States | API Heat Transfer Inc. | 4,382,467 |

Foreign Patents

| <u>Country</u> | <u>Current Applicant/Owner</u> | <u>Serial/Patent No.</u> |
|----------------------|--------------------------------|-----------------------------|
| International | API Heat Transfer Inc. | PCT/US98/11236 [#] |

[#] Pending.

**SCHEDULE B
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT**

COPYRIGHTS

U.S. Copyrights

[NONE]

| <u>Title</u> | <u>Application No.</u> | <u>Copyright No.</u> |
|--------------|------------------------|----------------------|
| | | |

Foreign Copyrights

[NONE]

| <u>Country</u> | <u>Title</u> | <u>Appl. No.</u> | <u>File Date</u> | <u>Copyright No.</u> | <u>Issue Date</u> |
|----------------|--------------|------------------|------------------|----------------------|-------------------|
|----------------|--------------|------------------|------------------|----------------------|-------------------|

**SCHEDULE C
TO
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT
TRADEMARKS**

U.S. Trademarks

| <u>Country</u> | <u>Current Applicant/Owner</u> | <u>Reg. No.</u> | <u>Mark</u> |
|----------------------|-------------------------------------|-----------------|----------------------|
| United States | API Heat Transfer Inc. | 0,932,242 | BASCO |
| United States | API Heat Transfer Inc.+ | 1,083,892 | OPTIDESIGN |
| United States | API Heat Transfer Inc.+ | 1,919,561 | TC |
| United States | API Heat Transfer Inc. [#] | 1,033,773 | WHITLOCK |
| United States | API Heat Transfer Inc.+ | 2,762,061 | PCR |
| United States | API Heat Transfer Inc.+ | 0,853,552 | Miscellaneous Design |

+ Assignments from American Precision Industries Inc. to API Heat Transfer Inc. were recorded on November 24, 2004.

[#] Registered at United States Patent and Trademark Office under the name API Ketema, Inc.

Foreign Trademarks

| <u>Country</u> | <u>Current Applicant/Owner</u> | <u>Reg. No.</u> | <u>Mark</u> |
|-----------------------|--------------------------------|-----------------|-------------|
| Canada | API Heat Transfer Inc.+ | TMA257489 | BASCO |
| Japan | API Heat Transfer Inc.+ | 2012012 | BASCO |
| United Kingdom | API Heat Transfer Inc.+ | B1024653 | BASCO |

+ Assignments from American Precision Industries Inc. to API Heat Transfer Inc. were executed on February 27, 2002. American Precision Industries Inc. was required to record such assignments.