

Signature:

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Date:

02/16/2007

Total Attachments: 5

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GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

THIS GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS ("Agreement"), effective as of February 9, 2007, is made by COVANTA ENERGY CORPORATION, a Delaware corporation, located at 40 Lane Road, Fairfield, New Jersey 07004 ("Grantor") and JPMORGAN CHASE BANK, N.A., as collateral agent for the Secured Parties (as herein defined) (together with successors and assigns in such capacity as Collateral Agent, the "Collateral Agent").

W I T N E S S E T H

WHEREAS, pursuant to the Credit and Guaranty Agreement, dated as of February [9], 2007, among Grantor, Covanta Holding Corporation, certain subsidiaries of Grantor, the lenders from time to time parties thereto (the "Lenders"), JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent, Revolving Issuing Bank and a Funded LC Issuing Bank, UBS AG, Stamford Branch, as a Funded LC Issuing Bank, Lehman Commercial Paper Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Syndication Agents, and Bank of America, N.A. and Barclays Bank PLC, as Documentation Agents (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), the Lenders have severally agreed to make Loans and other extensions of credit to the Grantor upon the terms and subject to the conditions set forth therein;

WHEREAS, in connection with the Credit Agreement, the Grantor has executed and delivered a Pledge and Security Agreement, dated as of February [9], 2007, in favor of the Collateral Agent for the ratable benefit of the Secured Parties (as amended, restated, supplemented or otherwise modified from time to time, the "Pledge and Security Agreement");

WHEREAS, pursuant to the Security Agreement, the Grantor pledged and granted to the Collateral Agent for the ratable benefit of the Secured Parties a continuing security interest in its Intellectual Property, including the Trademarks and Trademark Licenses; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Loans and other financial accommodations to the Grantor pursuant to the Credit Agreement, the Grantor agrees, for the ratable benefit of the Secured Parties as follows:

SECTION 1. Defined Terms. Unless otherwise defined herein, terms used in this Agreement have the meanings given to them in the Pledge and Security Agreement.

SECTION 2. Grant of Security Interest in Trademarks. The Grantor hereby pledges and grants to the Collateral Agent, a security interest in and continuing lien on all of Grantor's right, title and interest in, to and under the Trademarks and Trademark Licenses (including, without limitation, those items listed on Schedule A hereto).

Notwithstanding anything herein to the contrary, in no event shall the Trademarks or the Trademark Licenses or the security interest granted herein attach to (a) any lease, license, contract, property rights or agreement, and any assets subject to any thereof, to which Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall continue or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided however that the Trademarks and Trademark Licenses shall include and such security interest shall attach (x) immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied, (y) immediately at such lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above or, to the extent severable, at any such portion of such lease, license, contract, property rights or agreement that does not result in any such consequences, or (z) immediately at any application to register Trademarks in the United States Patent and Trademark Office (the "PTO") based upon Grantor's "intent to use" such Trademark (but if the grant of security interest to such intent-to-use Trademark violates 15 U.S.C. § 1060(a)) unless and until a "Statement of Use" or "Amendment to Allege Use" is filed in the PTO, at which point the Trademarks and/or Trademark Licenses, as the case may be, shall include, and the security interest granted hereunder shall attach to, such application.

SECTION 3. Purpose and Acknowledgement of Pledge and Security Agreement.

This Agreement has been executed and delivered by the Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Lenders in connection with the security interest granted to the Collateral Agent for the Secured Parties pursuant to the Pledge and Security Agreement and the Grantor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the security interest in the Trademarks and Trademark Licenses granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control.

SECTION 4. Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

SECTION 5. Counterparts. This Agreement may be executed in one or more separable counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same original instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Grant of Security Interest in Trademark Rights to be executed and delivered by its duly authorized officer thereunto duly authorized as of the date first above written.

COVANTA ENERGY CORPORATION

By: 
Name: Anthony J. Orlando
Title: President & Chief Executive Officer

Grant of Security Interest in Trademark Rights

TRADEMARK
REEL: 003482 FRAME: 0419

JPMORGAN CHASE BANK, N.A.

By: 

Name:

Robert Anastasio

Title:

Vice President

Grant of Security Interest in Trademark Rights

TRADEMARK
REEL: 003482 FRAME: 0420

SCHEDULE A

U.S. Trademark Registrations and Applications

Country	Mark	Registration Number (Serial Number)	Registration Date (Filing Date)
USA	COVANTA ENERGY	2,865,389	7/20/04
USA	COVANTA	(77/054,918)	(12/1/06)
USA	TRANSRIVER	(77/054,552)	(11/30/06)

Trademark Licenses

None.