



06-05-2000

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07-13-2000

U.S. Patent & TMOfo/TM Mail Ropt Dt. #01



*[Handwritten scribble]*  
*D #*

Party Conveying Interest:

101401556

American Moulding & Millwork Company

Name and Address of Party Receiving Interest:

LaSalle Business Credit, Inc.  
One Centerpoint Drive, Suite 100  
Lake Oswego, OR 97035

*W.D.*  
*6.5.00*

Description of the interest conveyed or the transaction to be recorded:

Collateral assignment of registered trademarks as described more fully in the Patent, Trademark and Copyright Security Agreement that is attached to this Trademark Cover Sheet.

Registration numbers of trademarks affected:

2,116,722	2,029,133
2,235,100	2,148,225
75645722	75782665
75644638	75423630
75565838	75258991
75107735	73740453

Name and address of the party to whom correspondence concerning the request to record the document should be mailed:

Mr. Bruce G. Berning  
Tonkon Torp LLP  
1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204-2099

Number of trademarks and total fee:

12 trademarks; \$315 (1 mark @ \$40; 11 @ \$25 each = \$315)

Date the document was executed:

May 1, 2000

To the best of my knowledge and belief, the information contained on this cover sheet is true and correct.

07/12/2000 ASCOTT 00000058 2116722

01 FC:481 40.00 OP  
02 FC:482 275.00 OP

*[Signature of Bruce G. Berning]*

Bruce G. Berning

Date: 5.30.00

Total number of pages including cover sheet, attachments and documents: 10

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**TRADEMARK**  
**REEL: 002099 FRAME: 0525**

## PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

This Patent, Trademark and Copyright Security Agreement (this "Agreement") is made as of this 1st day of May, 2000 by American Moulding & Millwork Company, a Delaware corporation, with its principal place of business at 2801 West Lane, Stockton, California 95204 ("Borrower") in favor of LaSalle Business Credit, Inc., with an office at One Centerpointe Drive, Suite 100, Lake Oswego, Oregon 97035 ("LaSalle").

### WITNESSETH:

WHEREAS, LaSalle and Borrower are parties to a certain Loan and Security Agreement (the "Loan Agreement") and other related loan documents of even date herewith (collectively, the "Loan Documents"), which Loan Documents provide (i) for LaSalle, from time to time, to extend credit to or for the account of Borrower and (ii) for the grant by Borrower to LaSalle of a security interest in certain of Borrower's assets, including without limitation its patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, copyrights, copyright applications, goodwill and licenses.

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

1. **Capitalized Terms.** All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Documents.

2. **Grant of Security Interest.** To secure the complete and timely satisfaction of all Liabilities (as defined in the Loan Agreement), Borrower hereby grants, bargains, assigns, mortgages, pledges, sells, grants a security interest in, transfers and conveys to LaSalle, as and by way of a first security interest having priority over all other security interests, with power of sale, to the extent permitted by law or by the specific license agreements, upon the occurrence of an "Event of Default" (as defined in the Loan Agreement) all of Borrower's right, title and interest in and to all of its now existing and hereafter created or acquired:

(i) patents and patent applications including, without limitation, the inventions and improvements described and claimed therein, including but not limited to those patents listed on Exhibit A attached hereto and made a part hereof, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, damages and payments now and hereafter due or payable under or 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, and (d) all rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (a)-(d) of this subsection 2(i), are sometimes hereinafter referred to individually as a "Patent" and collectively, as the "Patents");

(ii) trademarks, trademark registrations, trademark applications, trade names and trade styles, service marks, service mark registrations and service mark applications including, without limitation, the trademarks, trade names, service marks and applications and registrations thereof listed on Exhibit B attached hereto and made a part hereof, and (a) renewals or extensions thereof, (b) all income, damages and payments now and hereafter due or payable 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, and (d) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names and trade styles, service marks and applications and registrations thereof, together with the items described in clauses (a)-(d) of this subsection 2(ii), are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks");

(iii) copyrights and copyright registrations and applications, including but not limited to those copyrights listed on Exhibit C attached hereto and made a part hereof, and (a) renewals, extensions and continuations thereof, (b) all income, damages and payments now and hereafter due or payable under or with respect thereto, including without limitation, damages and payments for past, present and future infringements thereof, (c) the right to sue for past, present and future infringements thereof, and (d) all rights corresponding thereto throughout the world (all of the foregoing copyrights and applications, together with the items described in clauses (a)-(d) of this subsection 2(iii), are sometimes hereafter referred to individually as a "Copyright" and collectively, as the "Copyrights");

(iv) all license agreements with respect to any of the Patents, the Trademarks or the Copyrights or any other patent, trademark, service mark, copyright or any application or registration thereof or any other trade name or trade style between Borrower and any other party, whether Borrower is a licensor or licensee under any such license agreement including, without limitation, the licenses listed on Exhibit D attached hereto and made a part hereof (all of the foregoing license agreements and Borrower's rights thereunder are referred to collectively as "Licenses"); and

(v) the goodwill of Borrower's business connected with and symbolized by the Trademarks.

3. Warranties and Representations. Borrower warrants and represents to LaSalle that:

(i) The Patents, Trademarks, Copyrights and Licenses have not been adjudged invalid or unenforceable and have not been cancelled, in whole or in part, and are presently subsisting;

(ii) Each of the Patents, Trademarks, Copyrights and Licenses is valid and enforceable;

(iii) Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks, Copyrights and Licenses, free and clear of any liens, charges and encumbrances including, without limitation, licenses, shop rights and covenants by Borrower not to sue third persons;

(iv) Borrower has adopted, used and is currently using all of the Trademarks;

(v) Borrower has no notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks, Copyrights or Licenses; and

(vi) Borrower has the right to execute and deliver this Agreement and perform its terms and has entered into or will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants contained herein.

4. Restrictions on Future Agreements. Borrower agrees that until Borrower's Liabilities shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower shall not sell or assign its interest in, or grant any license under, the Patents, Trademarks, Copyrights or Licenses, or enter into any other agreement with respect to the Patents, Trademarks, Copyrights or Licenses which is inconsistent with Borrower's obligations under this Agreement, without the prior written consent of LaSalle, and Borrower further agrees that it shall not take any action, or permit any action to be taken by others subject to its control, including licensees, or fail to take any action (solely with respect to the Patents and the Trade Names), which would affect the validity or enforcement of the rights transferred to LaSalle under this Agreement.

5. New Patents, Trademarks, Copyrights and Licenses. Borrower represents and warrants that, to the best of Borrower's knowledge, the Patents, Trademarks, Copyrights and Licenses listed on Exhibits A, B, C and D, respectively, constitute all of the Patents, Trademarks, Copyrights and Licenses now owned by Borrower. If, before Borrower's Liabilities shall have been satisfied in full or before the Loan Agreement has been terminated, Borrower shall (i) become aware of any existing Patents, Trademarks, Copyrights or Licenses of which Borrower has not previously informed LaSalle, (ii) obtain rights to any new patentable inventions, Patents, Trademarks, Copyrights or Licenses, or (iii) become entitled to the benefit of any Patents, Trademarks, Copyrights or Licenses or any improvement on any Patent, the provisions of this Agreement above shall automatically apply thereto and Borrower shall give to LaSalle prompt written notice thereof. Borrower hereby authorizes LaSalle to modify this Agreement by amending Exhibits A, B, C and D, as applicable, to include any such Patents, Trademarks, Copyrights and Licenses.

6. Royalties; Terms. The term of the security interest granted herein shall extend until the earlier of (i) the expiration of each of the respective Patents, Trademarks, Copyrights and Licenses assigned hereunder, and (ii) Borrower's Liabilities have been paid in full and the Loan Agreement has been terminated. Upon the occurrence of an Event of Default, Borrower agrees that the use by LaSalle of all Patents, Trademarks, Copyrights and Licenses shall be worldwide and without any liability for royalties or other related charges from LaSalle to Borrower.

7. Grant of License to Borrower. Unless and until an Event of Default shall have occurred, LaSalle hereby grants to Borrower the exclusive, nontransferable right and license to use the Trademarks and Copyrights in the ordinary course of its business, to exercise LaSalle's rights under the Licenses, and to make, have made, use and sell the inventions disclosed and claimed in the Patents for Borrower's own benefit and account and for none other. Borrower shall use the Trademarks only on goods of at least as high quality as the goods on which Borrower or its predecessor used the goods prior to the date hereof. Borrower agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to Borrower in this Section 7, without the prior written consent of LaSalle. From and after the occurrence of an Event of Default, Borrower's license with respect to the Patents, Trademarks, Copyrights and Licenses set forth in this Section 7 shall terminate forthwith, and LaSalle 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 of the jurisdictions in which the Patents, Trademarks, Copyrights or Licenses may be located.

8. LaSalle's Right to Inspect. LaSalle shall have the right, at any time and from time to time during normal business hours and prior to payment in full of Borrower's Liabilities and termination of the Loan Agreement, to inspect Borrower's premises and to examine Borrower's books, records and operations, including, without limitation, Borrower's quality control processes. Borrower agrees (i) to maintain the quality of any and all

products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof and (ii) to provide LaSalle, upon LaSalle's request from time to time, with a certificate of an officer of Borrower certifying Borrower's compliance with the foregoing. Upon the occurrence of an Event of Default, Borrower agrees that LaSalle, or a conservator appointed by LaSalle, shall have the right to establish such additional product quality controls as LaSalle, or said conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks.

9. Release of Security Interest. This Agreement is made for collateral purposes only. Upon payment in full of Borrower's Liabilities and termination of the Loan Agreement, LaSalle shall execute and deliver to Borrower all deeds, assignments and other instruments, and shall take such other actions, as may be necessary or proper to re-vest in Borrower full title to the Patents, Trademarks, Copyrights and Licenses, subject to any disposition thereof which may have been made by LaSalle pursuant hereto or pursuant to the Loan Agreement.

10. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Borrower. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' and paralegals' fees and legal expenses, incurred by LaSalle in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks, Copyrights and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks, Copyrights and Licenses, shall be borne by and paid by Borrower on demand by LaSalle and until so paid shall be added to the principal amount of Borrower's Liabilities and shall bear interest at the rate for Revolving Loans (as defined in the Loan Agreement).

11. Duties of Borrower. Borrower shall have the duty (i) to prosecute diligently any patent, trademark, service mark or copyright application pending as of the date hereof or thereafter until Borrower's Liabilities shall have been paid in full, (ii) to make application on unpatented but patentable inventions, on trademarks and service marks and on copyrights, as appropriate, and to the extent commercially reasonable, (iii) to preserve and maintain all rights in the Patents, Trademarks, Copyrights and Licenses, and (iv) to ensure that the Patents, Trademarks, Copyrights and Licenses are and remain enforceable. Any expenses incurred in connection with Borrower's obligations under this Section 11 shall be borne by Borrower. Borrower shall not abandon any right to file a patent, trademark or service mark application, or abandon any pending patent application, or any other Patent, Trademark, Copyright or License without the consent of LaSalle.

12. LaSalle's Right to Sue. After the occurrence of an Event of Default, LaSalle shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks, Copyrights and Licenses and, if LaSalle shall commence any such suit, Borrower shall, at the request of LaSalle, do any and all lawful acts and execute any and all proper documents required by LaSalle in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify LaSalle for all reasonable costs and expenses incurred by LaSalle in the exercise of its rights under this Section 12.

13. Waivers. No course of dealing between Borrower and LaSalle, nor any failure to exercise, nor any delay in exercising, on the part of LaSalle, any right, power or privilege hereunder or under 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.

14. 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.

15. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney; Effect on Financing Agreement. All of LaSalle's rights and remedies with respect to the Patents, Trademarks, Copyrights and Licenses, whether established hereby, by the Loan Documents, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence of an Event of Default, Borrower hereby authorizes LaSalle to make, constitute and appoint any officer or agent of LaSalle as LaSalle may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power to (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for LaSalle in the use of the Patents, Trademarks, Copyrights and Licenses, or (ii) take any other actions with respect to the Patents, Trademarks, Copyrights and Licenses as LaSalle deems to be in the best interest of LaSalle, or (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks, Copyrights or Licenses to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks, Copyrights or Licenses to anyone. Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Borrower's Liabilities shall have been paid in full and the Loan Agreement, including any amendments thereto, has been terminated. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of LaSalle under the Loan Documents but rather is intended to facilitate the exercise of such rights and remedies. LaSalle shall have, in addition to all other rights and remedies given it by the terms of this Agreement and the Loan Documents, all rights and remedies 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 Patents, Trademarks, Copyrights or Licenses may be located.

17. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of LaSalle, its successors, nominees and assigns.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Oregon.

19. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

20. Further Assurances. Borrower agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as LaSalle shall reasonably request from time to time in order to carry out the purpose of this Agreement and agreements set forth herein.

21. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement and shall be remade on the date of each borrowing under the Loan Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Agreement in favor of LaSalle as of the date first written above.

AMERICAN MOULDING & MILLWORK COMPANY

By: J. Patrick Hyler

Title: VP / CFO

Agreed and accepted this 1st day of May, 2000.

LASALLE BUSINESS CREDIT, INC.

By: Robert Alexander

Title: V.P.

STATE OF California )  
County of San Joaquin ) ss.

On this <sup>2nd</sup>~~1st~~ day of May, 2000, before me personally appeared J. Patrick Hughes, who being duly sworn, stated that he is the VPI CFO of American Moulding & Millwork Company, a Delaware corporation, and acknowledged the foregoing instrument to be the voluntary act and deed of the corporation, executed by authority of its board of directors.

Lucy A. Montzner  
Notary Public for State of California  
My Commission Expires: June 30, 2001

**EXHIBIT A**

**Patents**

<b><u>Invention</u></b>	<b><u>Country</u></b>	<b><u>Serial No.</u></b>	<b><u>Patent No.</u></b>	<b><u>Issue Date</u></b>
DRAWER CONSTRUCTION	USA	07/283,458	4,909,581	3/20/90

**EXHIBIT B****Trademarks and Service Marks**

<b><u>Mark</u></b>	<b><u>Reg./Ser. No.</u></b>	<b><u>Reg. Date</u></b>	<b><u>Country</u></b>
ECHO LAKE	2,116,722	11/25/97	USA
COUNTRY NATURALS	2,029,133	1/7/97	USA
SIERRA MADRE	2,235,100	3/23/99	USA
DESIGN ELEMENTS	2,148,225	3/31/98	USA
AMERICAN CASUAL	75645722	2/22/99	USA
COTTAGE BY THE SEA	75782665	8/23/99	USA
STACKABLES	75644638	2/22/99	USA
NANTUCKET SOLID WOOD HOME FURNISHINGS	75423630	1/26/98	USA
SAVANNAH COURT	75565838	10/6/98	USA
LEGACY COLLECTION	75258991	3/17/97	USA
TUSCANY COLLECTION	75107735	5/21/96	USA
SANTA FE COLLECTION	73740453	7/18/88	USA



**EXHIBIT C**

Copyrights

None.

**EXHIBIT D**

Licenses

None.

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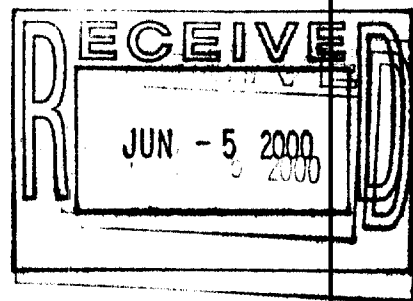
PATENT COVER SHEET

Party Conveying Interest:

American Moulding & Millwork Company

Name and Address of Party Receiving Interest:

LaSalle Business Credit, Inc.  
One Centerpointe Drive, Suite 100  
Lake Oswego, Oregon 97035



Description of the interest conveyed or the transaction to be recorded:

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Registration numbers of patents affected:

4,909,581

Name and address of the party to whom correspondence concerning the request to record the document should be mailed:

Mr. Bruce G. Berning  
Tonkon Torp LLP  
1600 Pioneer Tower  
888 SW Fifth Avenue  
Portland, OR 97204-2099

Number of patents and total fee:

1 patent @ \$40 = \$40

Date the document was executed:

May 1, 2000

To the best of my knowledge and belief, the information contained on this cover sheet is true and correct.

*Bruce G. Berning*  
Bruce G. Berning

Date: 5.30.00

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Total number of pages including cover sheet, attachments and documents: 10

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RECORDED: 06/05/2000

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