

**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
MASTER-HALCO, INC.		12/28/2006	CORPORATION: CALIFORNIA

**RECEIVING PARTY DATA**

Name:	U.S. BANK NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT
Street Address:	633 West Fifth Street
Internal Address:	29th Floor
City:	Los Angeles
State/Country:	CALIFORNIA
Postal Code:	90071
Entity Type:	national banking association: UNITED STATES

**PROPERTY NUMBERS Total: 28**

Property Type	Number	Word Mark
Registration Number:	2968372	MASTER-HALCO QUICK QUOTE
Registration Number:	2584207	MASTER HALCO
Registration Number:	1234293	MASTER HALCO
Registration Number:	3045282	MASTERCRAFT
Registration Number:	3008858	EUROSCAPE
Registration Number:	3002631	FENCING WITHOUT BOUNDARIES
Registration Number:	2831862	QUICK SHIP
Registration Number:	2622491	FENCEONLINE.COM
Serial Number:	78965537	CLOTURE LASALLE FENCE
Serial Number:	78965463	CLOTURES BEL-AIR FENCE
Registration Number:	2731691	COLONIAL ALUMINUM
Registration Number:	2634687	MAGNUM
Registration Number:	2399108	MH

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Registration Number:	2348826	POSTMASTER
Registration Number:	2236585	
Registration Number:	1895105	IMPRESSIONS
Registration Number:	1871372	SHADE-A-PET
Registration Number:	1834323	HOUND SURROUND
Registration Number:	1841176	SLAT MASTER
Registration Number:	1826937	LEGEND
Registration Number:	1777631	SPECTRA
Registration Number:	1717476	SILVERSHIELD
Registration Number:	1634385	A/O AUTOMATIC OPERATORS
Registration Number:	1548854	MONUMENTAL IRON WORKS
Registration Number:	1309648	SAFE-T
Registration Number:	1087608	MASTER COLOR
Registration Number:	1062623	COLOR LINK
Registration Number:	1072099	PERMAFUSED

**CORRESPONDENCE DATA**

Fax Number: (213)830-8743  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: 213-680-6400  
Email: kimberley.lathrop@bingham.com  
Correspondent Name: Kimberley Lathrop c/o Bingham McCutchen  
Address Line 1: 355 South Grand Avenue  
Address Line 2: Suite 4400  
Address Line 4: Los Angeles, CALIFORNIA 90071

ATTORNEY DOCKET NUMBER:	0176175.323009
NAME OF SUBMITTER:	Kimberley A. Lathrop
Signature:	/Kimberley A. Lathrop/
Date:	01/30/2007

**Total Attachments: 13**

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## PATENT AND TRADEMARK SECURITY AGREEMENT

THIS PATENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of December 28, 2006, is entered into by and between MASTER-HALCO, INC., a California corporation ("Debtor"), having an office at 4000 West Metropolitan Drive, Suite 400, Orange, California 92868, and U.S. BANK NATIONAL ASSOCIATION, with an office at 633 West Fifth Street, 29th Floor, Los Angeles, California 90071, as Administrative Agent for the Lenders party to the Financing Agreement referred to below (in such capacity, "Secured Party").

### 1. SECURITY INTEREST

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the patents and the applications therefor described in Schedule A annexed hereto and made a part hereof, and the trademarks, trade names, terms, designs and applications therefor described in Schedule B annexed hereto and made a part hereof; and

WHEREAS, Secured Party and the Lenders have agreed to enter into certain financing arrangements with Debtor, pursuant to a Financing Agreement of even date herewith by and among Debtor, Master-Halco Corp., a Nova Scotia unlimited liability company, the Lenders identified therein and parties thereto (collectively, the "Lenders"), Secured Party, as Administrative Agent, and U.S. Bank National Association, Canada Branch, as Canadian Agent (the "Financing Agreement") (the Financing Agreement, together with this Agreement, and all other related documents, agreements, instruments, as the same may now exist or may hereafter be amended or supplemented, are referred to herein collectively as the "Loan Documents").

NOW, THEREFORE, in order to induce Secured Party, Canadian Agent and the Lenders to enter into the Loan Documents and in consideration thereof, Debtor hereby grants to Secured Party, for the benefit of the Lenders, a security interest in:

(a) all of Debtor's now existing or hereafter acquired right, title and interest in and to: all of Debtor's interests in any patents, whether foreign or domestic; all applications, registrations and recordings relating to such patents in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, any political subdivision thereof and all reissues, extensions and renewals thereof, including, without limitation, those patents, applications, registrations and recordings described in Schedule A hereto (the "Patents");

(b) all of Debtor's now existing or hereafter acquired right, title, and interest in and to: all of Debtor's trademarks, trade names, trade styles and service marks; all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; all applications, registrations and recordings relating to the foregoing in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State

thereof, any political subdivision thereof or in any other countries, and all reissues, extensions and renewals thereof including those trademarks, terms, design and applications described in Schedule B hereto (the "Trademarks");

(c) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; and

(d) any and all proceeds of any of the foregoing, including, without limitation, any claims by Debtor against third parties for infringement of the Patents, Trademarks or of any licenses with respect thereto (all of the foregoing are collectively referred to herein as the "Collateral").

## 2. OBLIGATIONS SECURED

The security interests granted to Secured Party in this Agreement shall secure the prompt and indefeasible payment and performance of the "Obligations" as defined in the Financing Agreement (all the foregoing hereinafter referred to as the "Obligations").

## 3. WARRANTIES AND COVENANTS

Debtor hereby covenants, represents and warrants that (all of such covenants, representations and warranties being continuing in nature so long as any of the Obligations are outstanding):

A. All of the existing Collateral is valid and subsisting in full force and effect to Debtor's knowledge, and Debtor owns sole, full, and clear title thereto, and has the right and power to grant the security interests granted hereunder. Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably necessary to maintain the existence of the Collateral as valid, subsisting and registered patents and trademarks including without limitation the filing of any renewal affidavits and applications. The Collateral is not subject to any lien, security interest, claim or encumbrance ("Lien"), except the security interests granted hereunder, the licenses, if any, which are specifically described in Schedule C hereto and Permitted Liens (as defined in the Financing Agreement).

B. Debtor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or Lien upon, encumber, grant an exclusive or non-exclusive license relating thereto, except to Secured Party, or otherwise dispose of, any of the Collateral without the prior written consent of Secured Party, which will not be unreasonably withheld.

C. Debtor will, at Debtor's expense, perform all acts and execute all documents reasonably requested at any time by Secured Party to evidence, perfect, maintain, record, or enforce the security interest in the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral. Debtor further authorizes Secured Party to have this or any other similar security

agreement filed with the Commissioner of Patents and Trademarks or other appropriate federal, state or government office.

D. Debtor will, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party an original of a Power of Attorney in the form of Exhibit 1 annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder. Secured Party agrees it will only exercise the Power of Attorney upon the occurrence and during the continuation of an Event of Default under (and as defined in) the Financing Agreement.

E. Secured Party may, in its sole discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to maintain and preserve the Collateral, defend, protect, record, amend or enforce the Obligations, the Collateral, or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges and reasonable attorneys' fees. Debtor will be liable to Secured Party for any such payment, which payment shall be deemed a borrowing by Debtor from Secured Party, and shall be payable on demand together with interest at the applicable rate set forth in the Loan Documents and shall be part of the Obligations secured hereby.

F. As of the date hereof, Debtor does not have any Patents or Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States other than those described in Schedules A and B annexed hereto.

G. Debtor shall notify Secured Party in writing of the filing of any application for the registration of a Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States or any state therein within thirty (30) days of such filing. Upon request of Secured Party, Debtor shall execute and deliver to Secured Party any and all assignments, agreements, instruments, documents, and such other papers as may be requested by Secured Party to evidence the security interests of Secured Party in such Patent or Trademark.

H. Debtor has not abandoned any of the Patents or Trademarks material to the conduct of the business and Debtor will not do any act, nor omit to do any act, whereby the Patents or Trademarks may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable. Debtor shall notify Secured Party immediately if Debtor knows or has reason to know of any reason why any application, registration, or recording may become abandoned, canceled, invalidated, unenforceable, avoided, or avoidable.

I. Debtor will render any assistance, as Secured Party may determine is reasonably necessary, to Secured Party in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States or any state therein or any other country to maintain such application and registration of the Patents or Trademarks as Debtor's exclusive property and to protect Secured Party's

interest therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

J. Debtor will promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design likely to cause confusion with any Trademark or of any use any person of any other process or product which infringes upon any Patent or Trademark. If requested by Secured Party, Debtor, at Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's reasonable discretion, may deem advisable for the protection of Secured Party's interest in and to the Patents or Trademarks.

K. Debtor assumes all responsibility and liability arising from the use of the Patents or Trademarks by Debtor, and Debtor hereby indemnities and holds Secured Party harmless from and against any claim, suit, loss, damage, or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof).

L. Debtor will maintain the quality of the products associated with the Trademarks at a level consistent with the quality at the time of this Agreement. Debtor will not change the quality of the products associated with the Trademarks without Secured Party's prior written consent. Debtor hereby grants to Secured Party the right to visit Debtor's plant and facilities which manufacture or store products sold under any of the Trademarks and to inspect the products and quality-control records relating thereto at such times as permitted in the Financing Agreement.

#### 4. RIGHTS AND REMEDIES

Upon the occurrence of an Event of Default and at any time thereafter, in addition to all other rights and remedies of Secured Party, whether provided under applicable law, the Agreements or otherwise, and after expiration of any grace period, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Debtor, except as such notice or consent is expressly provided for hereunder:

A. Secured Party may make use of any Patents or Trademarks for the sale of goods or rendering of services in connection with enforcing any other security interest granted by Debtor to Secured Party.

B. Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner as Secured Party shall in its sole discretion deem appropriate. Such license or licenses may be general, special, or otherwise and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

C. Secured Party may assign, sell, or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations, except that Secured

Party agrees to provide Debtor with ten (10) days prior written notice of any proposed disposition of the Collateral. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition. In any such event, Debtor shall be liable for any deficiency.

D. In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to subparagraph 4C hereof, Secured Party may at any time execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in subparagraph 3E hereof, one or more instruments of assignment of the Patents or Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording or registration. Debtor agrees to pay Secured Party on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and reasonable attorneys' fees.

E. Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral first to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel, and other expenses which may be incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its sole discretion determine. Debtor shall remain liable to Secured Party for any expenses or obligations remaining unpaid after the application of such proceeds, and Debtor will pay Secured Party on demand any such unpaid amount, together with interest at the default rate set forth in the Loan Agreement.

F. In the event that any such license, assignment, sale or disposition of the Collateral (or any part thereof) is made after the occurrence of an Event of Default, Debtor shall supply to Secured Party or Secured Party's designee Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks or to which the Patents relate and Debtor's customer lists and other records relating to the Patents and Trademarks and the distribution thereof.

Nothing contained herein shall be construed as requiring Secured Party to take any such action at any time. All of Secured Party's rights and remedies, whether provided under law, the Agreements, this Agreement, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

## 5. MISCELLANEOUS

A. Any failure or delay by Secured Party to require strict performance by Debtor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document, or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any Event of Default shall not waive or affect any other Event of Default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document, or instrument shall be deemed to



have been waived by any act or knowledge of Secured Party, its agents, officers, or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Debtor, specifying such waiver.

B. All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been duly given or made: if by hand, immediately upon delivery; if by facsimile (fax), telex or telegram, immediately upon sending; if by any overnight delivery service, one day after dispatch; and if mailed by first class or certified mail, three (3) days after mailing. All notices, requests and demands are to be given or made to the respective parties at the following addresses (or to such other addresses as either party may designate by notice in accordance with the provisions of this paragraph):

If to Debtor:           MASTER-HALCO, INC.  
4000 West Metropolitan Drive, Suite 400  
Orange, California 92868  
Attn: Chief Financial Officer

If to Secured Party:   U.S. BANK NATIONAL ASSOCIATION,  
as Administrative Agent  
633 West Fifth Street, 29th Floor  
Los Angeles, California 90071  
Attn: Master-Halco Account Officer

C. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement.

D. This Agreement shall be binding upon and for the benefit of the parties hereto and their respective legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement signed by the party to be charged thereby.

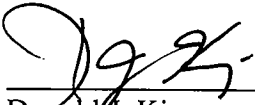
E. The security interest granted to Secured Party shall terminate and the Collateral will be reassigned to Debtor, at Debtor's sole expense, upon termination of the Financing Agreement and indefeasible payment in full to Secured Party and the Lenders of all Obligations thereunder.

F. THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF CALIFORNIA.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

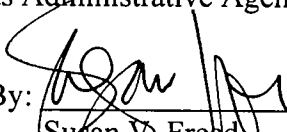
DEBTOR:

MASTER-HALCO, INC.,  
a California corporation

By:   
\_\_\_\_\_  
Donald J. King  
Senior Vice President, Chief Financial Officer

SECURED PARTY:

U.S.BANK NATIONAL ASSOCIATION,  
as Administrative Agent for the Lenders

By:   
\_\_\_\_\_  
Susan V. Freed  
Vice President

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA            )  
  )        ss.:  
COUNTY OF LOS ANGELES       )

KNOW ALL MEN BY THESE PRESENTS, that MASTER-HALCO, INC., a California corporation (hereinafter "Debtor"), hereby appoints and constitutes U.S. BANK NATIONALS ASSOCIATION, in its capacity as Administrative Agent for the Lenders referred to in the Security Agreement described below (in such capacity, "Secured Party"), and each officer thereof, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

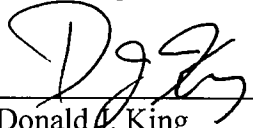
1. Execution and delivery of any and all agreements, documents, instruments of assignment, or other papers which Secured Party, in its sole discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all of right, title, and interest of Debtor in and to any patents or trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its sole discretion, deems necessary or advisable to further the purposes described in paragraph 1 hereof.

This Power of Attorney is made pursuant to a Patent and Trademark Security Agreement, of even date herewith, by and between Debtor and Secured Party (the "Security Agreement"), and may not be revoked until indefeasible payment in full of all Debtor's "Obligations", as such term is defined in the Security Agreement. Secured Party agrees that it will exercise its rights with respect to this Special Power of Attorney only after the occurrence and during the continuation of an Event of Default (as defined in the Financing Agreement referred to in the Security Agreement).

Dated as of December 28, 2006.

MASTER-HALCO, INC.,  
a California corporation

By:   
Donald G. King  
Senior Vice President and  
Chief Financial Officer

## SCHEDULE A

to

### PATENT AND TRADEMARK SECURITY AGREEMENT

#### Patents and Applications

<u>Title</u>	<u>Patent No./ Application No.</u>	<u>Filing Issue Date</u>
Picket fence and rail mounting system	Reg. No. 6,824,123	Reg. Date 11/30/2004
Metal fence post	Reg. No. 6,530,561	Reg. Date 03/11/2003
Metal fence post	Reg. No. 6,173,945	Reg. Date 01/16/2001
Apparatus and method for connecting fence fabric to a support structure	Reg. No. 6,142,451	Reg. Date 11/07/2000
Figure eight hinge	Reg. No. 6,112,369	Reg. Date 09/05/2000
Fence assembly with swivel bracket	Reg. No. 5,547,169	Reg. Date 08/20/1996
The ornamental picket fence rail, as shown and described	Reg. No. D,479,612	Reg. Date 09/09/2003
Round arched finial	Reg. No. D,432,683	Reg. Date 10/24/2000
Gothic arched finial	Reg. No. D,432,682	Reg. Date 10/24/2000
Round arched finial	Reg. No. D,425,998	Reg. Date 05/30/2000
Lacing tool	Reg. No. D,424,389	Reg. Date 05/09/2000
Gothic arched finial	Reg. No. D,424,208	Reg. Date 05/02/2000
Figure eight hinge	Reg. No. D,418,735	Reg. Date 01/11/2000
Wire mesh fencing system	Reg. No. 20050218393	Reg. Date 10/06/2005
Method for continuous coating of metallic products with fusible pulverulent materials	Reg. No. 3,650,798	Reg. Date 03/21/1972
Continuous metal coating process with fusible pulverulent materials	Reg. No. 3,619,231	Reg. Date 11/09/1971

Apparatus for continuous coating of  
metallic products with fusible  
pulverulent materials

Reg. No. 3,603,288

Reg. Date 09/07/1971

Abrading machine

Reg. No. 3,559,348

Reg. Date 02/02/1971

Cantilever type vertically adjustable  
gate arrangement

Reg. No. 3,351,895

Reg. Date 10/06/1971

Vertical lift gate

Reg. No. 3,394,497

Reg. Date 07/30/1968

SCHEDULE B  
to  
PATENT AND TRADEMARK SECURITY AGREEMENT

Trademarks / Service Marks

<u>Trademark/ Service Mark</u>	<u>Serial No./ Registration No.</u>	<u>Registration Date</u>
Master-Halco Quick Quote	2,968,372	07/12/2005
Master Halco	2,584,207	06/25/2002
Master Halco (and design)	1,234,293	04/12/1983
Mastercraft (Block Letters)	3,045,282	01/17/2006
Euroscape (Block Letters)	3,008,858	10/25/2005
Fencing Without Boundaries (Block Letters)	3,002,631	09/27/2005
Quick Ship	2,831,862	04/13/2004
Fenceonline.com	2,622,491	09/17/2002
Cloture LaSalle Fence (Block Letters)	App. No. 78-965,537	App. Date 08/31/2006
Clotures Bel-Air Fence (Block Letters)	App. No. 78-965,463	App. Date 08/31/2006
Colonial Aluminum	2,731,691	07/01/2003
Magnum	2,634,687	10/15/2002
MH (and Design)	2,399,108	10/31/2000
Postmaster	2,348,826	05/09/2000
(Design only)	2,236,585	04/06/1999
Impressions (Stylized)	1,895,105	05/23/1995
Shade-A-Pet	1,871,372	01/03/1995
Hound Surround	1,834,323	05/03/1994
Slat Master	1,841,176	06/21/1994

Legend	1,826,937	03/15/1994
Spectra	1,777,631	06/22/1993
Silvershield	1,717,476	09/22/1992
A/O Automatic Operators (and Design)	1,634,385	02/05/1991
Monumental Iron Works	1,548,854	07/25/1989
Safe-T	1,309,648	12/18/1984
Master Color	1,087,608	03/21/1978
Color Link	1,062,623	04/05/1977
Permafused	1,072,099	08/30/1977

SCHEDULE C  
to  
PATENT AND TRADEMARK SECURITY AGREEMENT

Permitted Licenses

None