

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Emco Limited		08/25/2004	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	Bank of America, National Association, Canada Branch
Street Address:	200 Front Street West
Internal Address:	Suite 2700
City:	Toronto, Ontario
State/Country:	CANADA
Postal Code:	M5V 3L2
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	1345940	ELAN

CORRESPONDENCE DATA

Fax Number: (617)646-8646
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 617-646-8000
 Email: kyost@wolfgreenfield.com
 Correspondent Name: Lisa W. Martin
 Address Line 1: 600 Atlantic Avenue
 Address Line 2: Wolf Greenfield
 Address Line 4: Boston, MASSACHUSETTS 02210

ATTORNEY DOCKET NUMBER:	B1162.40000US00
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DOMESTIC REPRESENTATIVE

Name: Lisa W. Martin
 Address Line 1: 600 Atlantic Avenue
 Address Line 2: Wolf Greenfield

CH \$40.00 1345940

Address Line 4: Boston, MASSACHUSETTS 02210

NAME OF SUBMITTER:

Karen Yost

Total Attachments: 9
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COLLATERAL TRADEMARK SECURITY AGREEMENT

THIS COLLATERAL TRADEMARK SECURITY AGREEMENT ("Security Agreement") made as of the 25th day of August, 2004 by EMCO CORPORATION, having its principal office at 620 Richmond Street, London, Ontario, N6A 5J9 ("Borrower") in favour of BANK OF AMERICA, NATIONAL ASSOCIATION, CANADA BRANCH, as Agent, (in such capacity "Agent"), having an office at 200 Front Street West, Suite 2700, Toronto, Ontario M5V 3L2 for itself and the benefit of the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Loan and Security Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), among Borrower, Agent, the Lenders, CCTF Corporation and Canadian Master Distribution Corporation, as guarantors.

WITNESSETH:

WHEREAS, Agent, the Lenders and Borrower have entered into the Loan Agreement providing for Lenders to make certain Loans and extend other financial accommodations to Borrower (Capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.); and

WHEREAS, it is a condition precedent to the making of the Loans under the Loan Agreement by Lenders that Borrower shall have granted the security interest contemplated by this Security Agreement;

NOW, THEREFORE, in consideration of the premises and in order to induce Lenders to make Loans under the Loan Agreement, Borrower hereby agrees with Agent and its successors, transferees and assigns as follows:

1. Grant of Security Interest. To secure the prompt and complete payment, observance and performance of all of the Borrower's Obligations, Borrower hereby mortgages, pledges and hypothecates to and creates a security interest in favour of, Agent, and its successors, transferees and assigns, for itself and for the benefit of all Lenders, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale as hereinafter provided, to the extent permitted by law, with respect to all of the following property of Borrower, whether now owned or existing or hereafter acquired or arising (collectively, the "Collateral"):
 - (a) all of Borrower's rights, title and interests in its trademarks and trademark registrations and all rights and interests under trademark license agreements, trade names and trademark applications for which registrations have been issued or applied for in the Trademarks Office of the Canadian Intellectual Property Office, United States Patent and Trademark Office, or used in Canada, the United States or any province, state or territory thereof, including, without limitation, the trademarks, trademark registrations and applications listed on Annex A attached hereto and made a part hereof and the trademark license agreements (both as licensee and licensor), other than those trademark license agreements with

independently owned and operated companies with whom Borrower or its Subsidiaries has entered into commercial real estate brokerage affiliation agreements, listed on Annex B attached hereto and made a part hereof and (i) all renewals thereof, (ii) all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof but excluding attorneys' fees and court costs payable to Borrower in respect thereto, (iii) the right to sue for past, present and future infringements thereof, and (iv) all of Borrower's rights corresponding thereto throughout the world (all of the foregoing trademark, trademark registrations, and interests under trademark license agreements, trade names and applications, together with the items described in clauses (i) through (iv) in this subparagraph (a), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(b) the goodwill of Borrower's business connected with the Trademarks.

2. Collateral Purposes. Notwithstanding the terms and provisions of Section 1 above, this grant shall be for collateral purposes only. Unless an Event of Default shall have occurred and be continuing, Borrower shall retain the right to use the Collateral, for Borrower's own benefit and account. Upon the occurrence and during the continuance of any Event of Default, Borrower's rights to use the Collateral as set forth in this paragraph shall terminate automatically without any requirement of notice to Borrower of such termination, and the Agent shall thereupon have, in addition to all other rights and remedies given it by this Agreement, those allowed by the federal laws of Canada and the United States and the rights and remedies of a secured party under the *Personal Property Security Act* (or the Civil Code of Quebec or Uniform Commercial Code, as applicable) as enacted in any jurisdiction in which any of the Collateral may be located.
3. Restrictions on Future Agreements. Borrower agrees that during the existence and continuation of an Event of Default and until all of Borrower's Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Borrower will not, without Agent's prior written consent, abandon any Trademark or enter into any agreement, except with Borrower's Affiliates, including, without limitation, any license agreement, which is inconsistent with Borrower's obligations under this Security Agreement if such actions would materially adversely affect the fair market value of the Collateral or the benefits of this Security Agreement granted to Agent including, without limitation, the priority or perfection of the security interest granted herein or the remedies of Agent hereunder, and Borrower further agrees that during the existence and continuation of an Event of Default it will 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, which would affect the validity or enforcement of the rights transferred or granted to Agent under this Security Agreement and any such agreement or action if it shall take place shall be null and void and of no effect whatsoever.
4. New Trademarks. Borrower represents and warrants that the Trademarks listed on Annex A and on Annex B constitute all of the trademarks and applications now owned by or licensed to or by Borrower for which registrations have been issued or applied for in the

Trademarks Office of the Canadian Intellectual Property Office or the equivalent office thereof in the United States. If, before the Borrower's Obligations have been satisfied in full and the Loan Agreement terminated, Borrower shall (i) obtain rights to any new trademarks, trademark registrations or applications or trade names used in Canada, the United States or any province, state, territory or possession thereof, or (ii) become entitled to the benefit of any trademarks, trademark registrations or applications or trade names used in Canada, the United States or any province, state, territory or possession thereof, the provisions of Section 1 above shall automatically apply thereto and Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Security Agreement by amending Annex A and Annex B to include any future trademarks, trademark applications and trademark license agreements which are Trademarks, as applicable, under Section 1 above or under this Section 4.

5. Additional Representations and Warranties. Borrower hereby represents, warrants, covenants and agrees that:

- (a) It has the full right and power to grant the security interest in the Collateral made hereby.
- (b) Except to its Affiliates and for Permitted Liens, it has made no previous assignment, transfer or agreements in conflict herewith or constituting a present or future assignment, transfer, or encumbrance on any of the Collateral.
- (c) (i) There is no financing statement or other document or instrument now signed or on file in any public office covering any part of the Collateral, except those showing Agent as secured party or related to Permitted Liens, and (ii) so long as any of Borrower's Obligations remain outstanding under the Loan Agreement or the Loan Agreement has not terminated, it will not execute, and it shall not permit there to be on file in any public office, any such financing statement or other document or instruments, except financing statements on file or to be filed in favour of Agent or related to Permitted Liens.
- (d) Subject to any limitations stated therein or in connection therewith, all information furnished to Agent or the other Lenders concerning the Collateral and proceeds thereof, for the purpose of obtaining credit or an extension of credit, is, or will be at the time the same is furnished, accurate and correct in all material respects.

6. Intentionally Deleted.

7. Required Consents. If any agreement to which the Borrower is presently a party contains a provision that prohibits or limits Borrower's rights to grant a security interest or provides that any Collateral specified herein may not be pledged, hypothecated, assigned or otherwise encumbered without the leave, license, consent or approval (collectively, the "Consent") of the other party to such agreement, the security interest created hereby shall be conditioned upon such Consent having been obtained. Borrower hereby represents that all agreements requiring such Consents are listed in Annex C to this Security Agreement.

8. Royalties: Terms. Borrower hereby agrees that any rights to use granted hereunder by Agent and its successors, transferees and assigns with respect to all Collateral as described above shall be worldwide (to the extent Borrower has such rights) and without any liability for royalties or other related charges from Agent or Lenders, ratably, to Borrower. The term of the security interest granted herein shall extend until the earlier of (i) the expiration or termination of each of the Trademarks covered hereby or (ii) all Borrower's Obligations have been paid in full and the Loan Agreement has been terminated.
9. Agent's Right to Inspect. Agent shall have the right, upon reasonable notice and from time to time, to inspect Borrower's premises and to examine Borrower's books, records and operations. Unless Agent reasonably determines that to do so would be adverse to its interests, Agent will give Borrower reasonable advance notice and make any inspections during Borrower's normal business hours.
10. Release of Security Interest.
- (a) This Security Agreement is made for collateral purposes only. Upon payment in full of all of Borrower's Obligations and termination of the Loan Agreement, Agent shall, at Borrower's sole cost and expense, execute and deliver to Borrower all termination statements, releases, assignments and other instruments as may be necessary or proper to re-vest in Borrower full title to the Collateral granted hereby, subject to any disposition thereof which may have been made by Agent pursuant hereto or pursuant to the Loan Agreement.
- (b) Upon any sale, assignment, lease or other disposition of all or any part of the Collateral permitted by the Loan Agreement or in connection with the sale, assignment, lease or other disposition of assets permitted by the Loan Agreement, with application of the proceeds thereof made in accordance with the Loan Agreement, Agent acknowledges and agrees that the security interest in the Collateral granted hereby shall be released and that it shall execute and deliver to Borrower all termination statements and other documents and instruments as may be necessary or desirable to fully release the security interest in such Collateral granted hereby.
11. Duties of Borrower. During the existence and continuation of an Event of Default Borrower agrees: (a) Borrower shall have the duty (i) to prosecute diligently any Trademark application that is part of the Trademarks pending as of the date hereof or thereafter until all Borrower Obligations shall have been paid in full and the Loan Agreement shall have been terminated, (ii) to make application for Trademarks as appropriate and (iii) to preserve and maintain all rights in trademark applications, trademarks, trade names, interests under trademark license agreements and trademark registrations that are part of the Trademarks, in each case to the extent such items are still used or useful in the business of Borrower, or that the failure to do so would materially adversely effect the fair market value of the Collateral or the benefits of this Security Agreement granted to Agent including, without limitation, the priority or perfection of the security interest granted herein or the remedies of Agent hereunder; (b) any expenses incurred in connection with such applications shall be borne by Borrower; (c) Borrower

agrees to retain a registered Trademark attorney approved by Agent for the filing and prosecution of all such applications and other proceedings at the time of such filing or prosecution; and (d) Borrower shall not abandon any right to file a trademark application or any pending trademark application without the consent of Agent.

If Borrower fails to comply with any of the foregoing duties, Agent may do so in Borrower's name to the extent permitted by law, but at Borrower's expense, and Borrower hereby agrees to reimburse Agent in full for all expenses, including the reasonable fees and disbursements of counsel incurred by Agent in protecting, defending and maintaining the Collateral.

In the event that Borrower shall fail to pay when due any fees required to be paid by it hereunder, or shall fail to discharge any lien or security interest prohibited hereby, or shall fail to comply with any other duty hereunder, Agent may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Borrower, and all moneys so paid out shall be Obligations of the Borrower repayable on demand, together with interest at the rate of interest applicable to Loans under the Loan Agreement.

Borrower further agrees that for so long as no Event of Default exists Borrower will at all times maintain, preserve and protect the Collateral to the extent consistent with prudent and reasonable business practices.

12. Remedies; Right to Sue. Upon the occurrence and during the continuance of an Event of Default, Agent's remedies shall be as set forth in the Loan Agreement and Section 6 of that certain Security Agreement of even date herewith by the Borrower in favour of the Agent (as if such Event of Default constituted a "Default" under the Security Agreement). In addition to the foregoing, upon the occurrence and during the continuance of an Event of Default, Agent and its successors, transferees and assigns shall have the right, but shall in no way be obligated, to bring suit in their own name to enforce the Trademarks, and any licenses thereunder, and, if Agent or any such other party shall commence any such suit, Borrower shall, at the request of Agent or such other party, do any and all lawful acts and execute any and all proper documents required by Agent or such other party in aid of such enforcement and Borrower shall promptly, upon demand, reimburse and indemnify Agent or such other party for all costs and expenses incurred by Agent or such other party in the exercise of their rights under this Section 12. The Agent shall have for the benefit of the Lenders, in addition to all other rights of the Agent and Lenders, the rights and remedies of a secured party under applicable law (UCC, PPSA, Civil Code of Quebec or federal laws of Canada or the United States) in the jurisdiction where the Collateral is located.
13. Waivers. No course of dealing between Borrower and Agent or any of their respective successors, transferees and assigns, nor any failure to exercise, nor any delay in exercising, on the part of Agent or any such other party, any right, power or privilege hereunder or under the Loan Agreement 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.

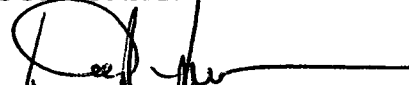
14. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.
15. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.
16. Cumulative Remedies; Power of Attorney; Effect on Loan Agreement. All of the rights and remedies of Agent, the other Lenders and their successors, transferees and assigns with respect to the Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Borrower hereby authorizes Agent to make, constitute and appoint any officer or agent of Agent as Agent may select, in its sole discretion, as Borrower's true and lawful attorney-in-fact, with power (i) so long as any Event of Default has occurred and is continuing or an Availability Event has occurred unless an Availability Event Cure has subsequently occurred (provided no Availability Event or Event of Default shall have occurred subsequent to such Availability Event Cure), to endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Collateral, or to grant or issue any exclusive or non-exclusive license under the Collateral to anyone, or to assign, pledge, hypothecate, convey or otherwise transfer title in or dispose of the Collateral to anyone free and clear of any encumbrance upon title thereof created after the date of this Security Agreement, and (ii) so long as any Event of Default has occurred and is continuing or an Availability Event has occurred unless an Availability Event Cure has subsequently occurred (provided no Availability Event or Event of Default shall have occurred subsequent to such Availability Event Cure), and from time to time to take any other actions with respect to the Collateral as Agent reasonably deems in its best interests. Agent hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until all Borrower Obligations shall have been paid in full and the Loan Agreement has been terminated. Borrower acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Agent, the other Lenders or their successors, transferees and assigns under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Agent and such other parties shall have, in addition to all other rights and remedies given it or them by the terms of this Security Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Personal Property Security Act and the Uniform Commercial Code, each as enacted in any jurisdiction in which the Trademarks may be located. Recourse to security will not be required at any time.
17. Care of Collateral. Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as Borrower shall request in writing, but failure of Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Agent

to preserve or protect any rights with respect to the Collateral against prior parties, or to do any act with respect to preservation of the Collateral not so requested by Borrower shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral unless such failure is the result of gross negligence or wilful misconduct.

18. Certain Rights Regarding Collateral and Borrower Obligations. Agent may, upon the occurrence and during the continuance of an Event of Default or upon the Agent's exercise of its rights under Sections 11.2 (a)(iv) or 11.2(a)(v) of the Loan Agreement, without notice to Borrower, take all or any of the following actions: (a) transfer all or any part of the Collateral into the name of Agent or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder, (b) notify the parties obligated on any of the Collateral to make payment to Agent of any amounts due or to become due hereunder, (c) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto and (d) take control of any proceeds of the Collateral. Agent may, furthermore, from time to time, whether before or after any of the Borrower Obligations shall become due and payable, without notice to Borrower, take all or any of the following actions: (a) retain or obtain a security interest in any property, in addition to the Collateral, to secure any of the Borrower Obligations, (b) retain or obtain the primary or secondary liability of any party or parties, in addition to Borrower with respect to any of the Borrower Obligations, (c) extend or renew for any period (whether or not longer than the original period) or exchange any of the Borrower Obligations or release or compromise any obligation of any nature of any party with respect thereto, (d) surrender, release or exchange all or any part of any property, in addition to the Collateral, securing any of the Borrower Obligations, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect to any such property, and (e) resort to the Collateral for payment of any of the Borrower Obligations, if and to the extent permitted by the Loan Agreement, whether or not it shall have resorted to any other property securing the Borrower Obligations or shall have proceeded against any party primarily or secondarily liable on any of the Borrower Obligations.
19. Binding Effect: Benefits. This Security Agreement shall be binding upon Borrower and its respective successors and assigns, and shall inure to the benefit of Agent and its respective successors, transferees and assigns.
20. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein as further provided in Section 15.3 of the Loan Agreement.
21. Notice. The provisions of the Loan Agreement shall govern in respect of notices or communications contemplated hereunder or given in connection herewith.
22. Consent to Jurisdiction: Waiver of Jury Trial. To induce Agent to accept this Security Agreement, Borrower irrevocably agrees that this Security Agreement incorporates herein Section 15.3, of the Loan Agreement, with respect to submission to jurisdiction and Section 15.4 of the Loan Agreement, with respect to waiver of jury trial.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Security Agreement as of the day first above written.

EMCO CORPORATION

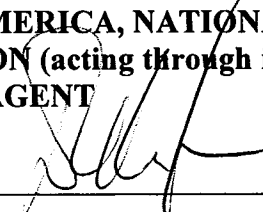
Per:  _____

Name: **DOUGLAS E. SPEERS**
Title: *President & Chief Executive Officer*

Per:  _____

Name: **MARK F. WHITLEY**
Title: **VICE PRESIDENT, GENERAL COUNSEL & SECRETARY**

BANK OF AMERICA, NATIONAL ASSOCIATION (acting through its Canada branch), AS AGENT

Per:  _____

Name: _____
Title: **NELSON LAM
VICE PRESIDENT**

ANNEX B

Trademarks – U.S. – Borrower

EMCO CORPORATION		
No.	Trademark Name	Status
78438787	Mainline	Pending
78425628	Mainline	Pending
78418278	Mainline	Pending
EMCO LIMITED		
No.	Trademark Name	Status
1345940	Elan	Registered