

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
Semco Energy, Inc.		04/21/2010	CORPORATION: MICHIGAN
RECEIVING PARTY DATA			
Name:	Royal Bank of Canada, as Collateral Agent		
Street Address:	200 Bay Street		
City:	Toronto		
State/Country:	CANADA		
Postal Code:	M5J 2J5		
Entity Type:	Commerical Bank: CANADA		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2390154	SEMCO	
Registration Number:	2295686		
Registration Number:	3421506	HOTFLAME	
Registration Number:	2773864	LIBERATE YOUR BUSINESS	
CORRESPONDENCE DATA			
Fax Number:	(212)455-2502		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	(212) 455-7976		
Email:	ksolomon@stblaw.com		
Correspondent Name:	Mindy M. Lok, Esq.		
Address Line 1:	Simpson Thacher & Bartlett LLP		
Address Line 2:	425 Lexington Avenue		
Address Line 4:	New York, NEW YORK 10017		
ATTORNEY DOCKET NUMBER:	085099/0055		
DOMESTIC REPRESENTATIVE			

OP \$115.00 2390154

900160304

TRADEMARK
 REEL: 004190 FRAME: 0492

Name:

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Mindy M. Lok

Signature:

/ml/

Date:

04/22/2010

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 April 21, 2010 is made by SEMCO ENERGY, INC., A Michigan corporation, (the "Borrower"), in favor of ROYAL BANK OF CANADA, as Collateral Agent (the "Collateral Agent") for the benefit the First Lien Secured Parties.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement, dated as of November 9, 2007 as amended by the first amendment thereto (the "First Amendment") dated as of April 5, 2010 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the lenders party thereto (the "Lenders") and ROYAL BANK OF CANADA, as administrative agent thereunder (the "Administrative Agent"), the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to (i) the effectiveness of the First Amendment to the Credit Agreement and (ii) the incurrence by the Borrower of the Initial Additional First Lien Obligations, that the Grantors enter into that certain Amended and Restated Guarantee and Collateral Agreement, dated as of November 9, 2007, as amended and restated as of April 21, 2010, in favor of the Collateral Agent for the benefit of the First Lien Secured Parties (the "Guarantee and Collateral Agreement");

WHEREAS, pursuant to the Guarantee and Collateral Agreement, the Borrower pledged and granted to the Collateral Agent for the ratable benefit of the First Lien Secured Parties and confirmed its prior grant to the Administrative Agent for the ratable benefit of the Secured Parties a continuing security interest in all Intellectual Property, including the Trademarks; and

WHEREAS, the Borrower 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, the Borrower agrees, for the benefit of the First Lien Secured Parties, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided or provided by reference in the Guarantee and Collateral Agreement or the First Lien Intercreditor Agreement (as defined in the Guarantee and Collateral Agreement).

SECTION 2. Grant of Security Interest. The Borrower hereby pledges and grants a continuing security interest in, and a right of setoff against, and agrees to assign, transfer and convey, upon demand made upon the occurrence and during the continuance of an Event of

Default without requiring further action by either party and to be effective upon such demand, all of the Borrower's right, title and interest in, to and under the Trademarks (including, without limitation, those items listed on Schedule A hereto) (collectively, the "Collateral"), to the Collateral Agent, for the ratable benefit of First Lien Secured Parties, to secure payment, performance and observance of the Borrower's First Lien Obligations.

SECTION 3. Purpose. This Agreement has been executed and delivered by the Borrower 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 First Lien Secured Parties in connection with the Guarantee and Collateral Agreement and is expressly subject to the terms and conditions thereof. The Guarantee and Collateral Agreement (and all rights and remedies of the First Lien Secured Parties thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Acknowledgment. The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Lenders with respect to the security interest in the Collateral granted hereby are more fully set forth in the Credit Agreement, any Additional First Lien Agreement, the Guarantee and Collateral Agreement, and the First Lien Intercreditor Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the terms of the Guarantee and Collateral Agreement, the terms of the Guarantee and Collateral Agreement shall govern.

SECTION 5. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

SEMCO ENERGY INC.

By: 

Name: Michael V. Palmeri

Title: Executive Vice President and Chief
Financial Officer

Signature Page to Grant of Security Interest in Trademarks

ROYAL BANK OF CANADA
as Collateral Agent for the Lenders

By: 
Name: _____
Title: Susan Khokher
Date: Manager, Agency

Signature page to Grant of Security Interest in Trademarks

SCHEDULE A

U.S. Trademark Registrations

<u>Trademark</u>	<u>Registration or Serial Number</u>
SEMCO	2,390,154
FLAME LOGO	2,295,686
HOTFLAME	3,421,506
LIBERATE YOUR BUSINESS	2,773,864