

01-22-1999

FORM PTO-1594
1/31/92

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

1-2-98



100950502

To the Honorable Commissioner of Patents and Trademarks, please record the attached original documents or copy thereof.

MRP 11-6-98

1. Name of conveying party(ies):

Protecta International, Inc.

- Individual(s) Association
- General partnership Limited Partnership
- Corporation-State
- Other _____

Additional name(s) of conveying party(ies) attached? N/A

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other Collateral Assignment and Security Agreement

Execution Date: October 21, 1998

2. Name and address of receiving party(ies):

Name: Robert Fleming & Co. Limited

Internal Address: _____

Street Address: 25 Copthall Avenue

City: London State: United Kingdom ZIP: EC2R 7DR

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other U.K. Limited Company

If assignee is not domiciled in the United States, a domestic representative designation is attached:

(Designation must be a separate document from Assignment)

DOMESTIC REPRESENTATIVE DESIGNATION ATTACHED

Additional name(s) & address(es) attached? _____

4. Application number(s) or registration number(s): SEE SCHEDULE B TO THE ATTACHED PATENT AND TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

A. Trademark Application No.(s)

B. Trademark Registration No (s)

Additional numbers attached? _____

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Briggs and Morgan, P.A., Attn: Christopher C. Cleveland, Esq.

Internal Address: 2400 IDS Center

Street Address: 80 South Eighth Street

City: Minneapolis State: MN ZIP: 55402

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 47

- Enclosed
- Authorized to be charged to deposit account - any deficiencies

8. Deposit account number: 51-5520

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

BRIGGS AND MORGAN, P.A.

Christopher C. Cleveland

Name of Person Signing

By: [Signature]

Signature

10/21/98

Date

Total number of pages comprising cover sheet: _____

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

01/21/1999 500085 00000175 500520 CLEVELAND

01 FC:481

40.00 CH

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project, (0651-0011), Washington, D.C. 20503.

DOMESTIC REPRESENTATIVE DESIGNATION

TO: COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C.

NAME OF CONVEYING PARTY: Protecta International, Inc.

NAME OF RECEIVING PARTY: Robert Fleming & Co. Limited
25 Copthall Avenue
London EC2R 7DR, United Kingdom

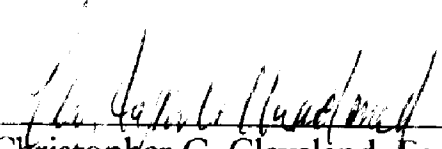
NATURE OF CONVEYANCE: Parent and Trademark Collateral
Assignment and Security Agreement dated
October 21, 1998

The name and address of the Domestic Representative for Robert Fleming & Co. Limited in the United States on whom process may be served or notice may be served of any proceeding affecting the application, patent or registration, or rights thereunder, with respect to the attached Patent and Trademark Collateral Assignment and Security Agreement is:

Briggs and Morgan, P.A.
2400 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Attention: Christopher C. Cleveland, Esq.

Dated: October 29, 1998.

BRIGGS AND MORGAN, P.A.

By 
Christopher C. Cleveland, Esq.

**PATENT AND TRADEMARK COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT**

PROTECTA INTERNATIONAL, INC.

This Patent and Trademark Collateral Assignment and Security Agreement ("Agreement") is made this 21st day of October, 1998, by Protecta International, Inc., a Texas corporation with a registered office at 8748 Clay Road, Suite 308, Houston, TX 77080, USA (the "Assignor"), in favor of Robert Fleming & Co. Limited (the "Security Trustee") as agent and trustee under the Facilities Agreement of even date herewith (as it may be amended from time to time, the "Facilities Agreement") for the Finance Parties (as defined in the Facilities Agreement)

WHEREAS, Capital Safety Group Limited and Capital Safety Inc. (the "Debtors"), each an affiliated corporation of the Assignor, have requested extensions of credit pursuant to the terms of the Facilities Agreement; and

WHEREAS, as a condition to the extension of credit under the Facilities Agreement, the Security Trustee requires that the Assignor execute and deliver a Composite Guarantee dated October 21, 1998 and this Agreement; and

WHEREAS, the Assignor has determined that the execution, delivery and performance of this Agreement is in its best business and pecuniary interest.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor agrees as follows.

SECTION 1. Assignment and Grant of Security. To secure the payment and performance of the "Obligations" as defined in Section 2 hereof, the Assignor hereby pledges, grants, sells, transfers, sets over, conveys and assigns to the Security Trustee for its benefit and the ratable benefit of the Finance Parties, and grants a security interest in the entire right, title and interest of the Assignor in and to the following, whether now owned or hereafter acquired:

(a) all United States and foreign patents, patent applications and patentable inventions which the Assignor now or hereafter owns, including, without limitation, the patents and patent applications listed in Schedule A hereto and (a) the inventions and improvements described and claimed therein; (b) any continuation, continuation-in-part division, renewal, extension, substitution or reissue thereof or any legal equivalent in a foreign county for the full term or terms of which the same may be granted; (c) all rights to income, royalties, profits, awards, damages or other rights relating to said patents, patent applications or inventions, including the right to sue for past, present or future infringement;

and (d) any other rights and benefits relating to said patents, patent applications or inventions ("Patents");

(b) all trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications (collectively, the "Marks") and the goodwill underlying those trademarks of the Assignor, including but not limited to those set forth in Exhibit 2, together with any goodwill connected with and symbolized by any Marks and (i) any similar marks or amendments, modifications and renewals thereof and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (ii) all rights to income, royalties, profits, damages, or other rights relating to said Marks, including the right to sue for past, present or future infringement; and (iii) any other rights and benefits relating to said Marks including any rights as a licensor or licensee of said Marks ("Trademarks");

it being understood and agreed that the Patents and Trademarks assigned hereby shall include, without limitation, the rights and interests pursuant to licensing or other contracts in favor of the Assignor pertaining to patent applications, patents and trademarks presently or in the future owned or used by third parties, but only to the extent permitted by such licensing or other contracts and, if not so permitted, only with the consent of such third parties.

SECTION 2. Security for Obligations. This Agreement secures the payment to the Security Trustee for the account of the Finance Parties, all liabilities, obligations and indebtedness of the Debtors and Acceding Borrowers (as defined in the Facilities Agreement) now or hereafter due, owing or incurred by either of them to the Finance Parties or any of them under or pursuant to any of the Finance Documents (as such term is defined in the Facilities Agreement); all such liabilities, obligations and indebtedness being hereinafter called "Obligations."

SECTION 3. Assignor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Assignor shall remain liable under the contracts and agreements included in the Patents and Trademarks to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Security Trustee of any of the rights hereunder shall not release the Assignor from any of its duties or obligations under the contracts and agreements included in the Patents and Trademarks, and (c) neither the Security Trustee nor any Finance Party shall have any obligation or liability under the contracts and agreements included in the Patents and Trademarks by reason of this Agreement, nor shall the Security Trustee or any Finance Party be obligated to perform any of the obligations or duties of the Assignor thereunder or to take any action to collect or enforce any claims for payment assigned hereunder.

SECTION 4. Representations and Warranties. The Assignor represents and warrants as follows (except as otherwise provided in the Facilities Agreement or the Debenture (as defined therein)):

(a) Except as set forth on Exhibit C, the Patents and Trademarks are subsisting and have not been adjudged invalid or unenforceable and the Assignor is not aware of any claim by any person that the Patents and Trademarks are invalid or unenforceable.

(b) Except as set forth on Exhibit C, to the best of the Assignor's knowledge, each of the Patents (other than patent applications) and each of the Trademarks is valid and enforceable.

(c) Except as set forth on Exhibit C, no claim has been made by any person against the Assignor that the use by the Assignor of any of the Patents and Trademarks that is material to the business of the Assignor does or may violate the rights of any Person.

(d) The Assignor is the legal and beneficial owner of the Patents and Trademarks free and clear of any lien, including without limitation, assignments, licenses, shop rights and covenants by Assignor not to sue third persons, except for the security interest and assignment created by this Agreement. No effective financing statement or other instrument similar in effect naming the Assignor as "Debtor" covering all or any part of the Patents or the Trademarks is on file in any recording office, except such as may have been filed in favor of the Security Trustee relating to this Agreement or the Facilities Agreement or for which duly executed termination statements have been recorded or delivered to the Security Trustee.

(e) The chief executive office of the Assignor is located at the address set forth above for the Assignor.

SECTION 5. No Liens. The Assignor agrees that it will not, without the prior written consent of the Security Trustee assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Security Trustee in said Patents and Trademarks or take any other acts which are contrary to or inconsistent with the rights granted to the Security Trustee in this Agreement and will not cease the use of any Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Patents or Trademark registrations covered by this Agreement without the prior written agreement of the Security Trustee, except as otherwise provided in the Facilities Agreement or the Debenture (defined therein).

SECTION 6. New Patents and Applications. If, during the term of the Facilities Agreement, the Assignor shall become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuations-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto. The

Assignor shall give to the Security Trustee prompt notice thereof in writing promptly after it becomes aware of any and all of the foregoing rights or benefits.

SECTION 7. Further Assurances: Assignor's Covenants. On a continuing basis, the Assignor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments, including, without limitation, appropriate financing and continuation statements and security agreements, and take all such action as may be deemed necessary in the Security Trustee's reasonable judgment to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Security Trustee the grant or perfection of a security interest in all Patents and Trademarks. Without limiting the generality of the foregoing sentence, the Assignor, except as provided in the Facilities Agreement or the Debenture (as defined therein):

(a) will not enter into any agreement which would or might in any way materially impair or conflict with the Assignor's obligations hereunder without the Security Trustee's prior written consent;

(b) upon the written request of the Security Trustee, use its best efforts to obtain any necessary consents of third parties to the grant or perfection of a security interest to the Security Trustee with respect to the Patents and Trademarks;

(c) will promptly, following its becoming aware thereof, notify the Security Trustee of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office or any United States or foreign court regarding the Security Trustee's claim of ownership in any of the Patents and Trademarks;

(d) concurrently with its filing of an application for any Patent, the Assignor will execute, deliver and record (i) in all places where this Agreement is recorded an appropriate Patent Collateral Assignment and Security Agreement, substantially in the form hereof, with appropriate insertions to the extent of its interest therein and (ii) such appropriate financing statements as may be necessary in order to perfect and preserve the security interest and assignment granted thereby;

(e) will protect such Patents and Trademarks from infringement, unfair competition or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement and will defend such Patents and Trademarks from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims;

(f) except as provided in Section 12 hereof, will not sell or contract for sale or otherwise dispose (other than by way of license entered into in the ordinary course of business in an arm's-length transaction) of any Patent (other than any Patents held by the Assignor under a license);

(g) will promptly notify the Security Trustee of any suspected material infringement of any of the Patents or Trademarks by any third party and of all steps, including the commencement and course of litigation, taken to remedy such infringement; and

(h) will provide to the Security Trustee at least annually (i) the status of all Patents and Trademarks subject to this Agreement including any new patents, patent applications, trademark registration, trademark applications or related licenses; and (ii) any actions taken by the Assignor pursuant to paragraph 7(e) of this Agreement.

SECTION 8. Amounts Payable in Respect of the Patents and Trademarks. Except as otherwise provided in this Section 8, the Assignor shall continue to collect, at its own expense, all amounts due or to become due to the Assignor in respect of the Patents and Trademarks. Upon the occurrence and during the continuance of an Event of Default (as defined in paragraph 13 of this Agreement), the Security Trustee is hereby given full power and authority, without notice or demand, (i) to notify any and all obligors with respect to any Patent or Trademark which the Assignor, except for the execution hereof, could ask for, and (ii) to demand, take, collect, sue for and receive for its own use all amounts due or to become due the Assignor in respect of the Patents and Trademarks, and in connection therewith to enforce all rights and remedies with respect to any Patent and Trademark which the Assignor could enforce if this Agreement had not been made; and the Assignor hereby ratifies any action which the Security Trustee shall lawfully take to enforce the Security Trustee's rights hereunder. Whether or not the Security Trustee shall have so notified any obligors, the Assignor shall at its expense render all reasonable assistance to the Security Trustee in enforcing claims against such obligors.

SECTION 9. Security Trustee Appointed Attorney-in-Fact. The Assignor hereby appoints the Security Trustee the Assignor's attorney-in-fact, with full authority in the place and stead of the Assignor and in the name of the Assignor or otherwise upon an Event of Default, (i) to endorse the Assignor's name on all applications, documents, papers and instruments necessary for the Security Trustee in the use or maintenance of the Patents or Trademarks, (ii) to take any other actions with respect to the Patents or Trademarks, including, without limitation, commencement or continuation of any litigation or administrative proceeding, as the Security Trustee deems in the best interest of the Banks and Hedging Counterparties, (iii) to grant or issue an exclusive or non-exclusive license to the Patents and/or Trademarks to any person, (iv) to assign, pledge, convey or otherwise transfer title in or dispose of the Patents and Trademarks to any person and (v) to take any action and to execute any instrument which the Security Trustee may deem necessary to accomplish the purposes of this Agreement.

SECTION 10. Security Trustee May Perform. If the Assignor fails to perform any agreement contained herein, the Security Trustee may itself perform, or cause performance of, such agreement, and the expenses of the Security Trustee incurred in connection therewith following an Event of Default shall be payable upon demand by the Assignor.

SECTION 11. Maintenance. Notwithstanding Section 2 hereof, the Assignor shall have the right and obligation to commence and diligently prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, or other damage or reexamination or reissue proceedings as are reasonable to protect any of the Patents and Trademarks unless the Assignor, in its prudent business judgment, deems any such Patent or Trademark not to have significant commercial value. However, no such suit, proceeding or other action shall be settled or voluntarily dismissed, nor shall any party be released or excused of any claims of, or liability for, infringement, without the prior written consent of the Security Trustee.

SECTION 12. Remedies. An "Event of Default" as such term is defined in the Facilities Agreement shall constitute an Event of Default under this Agreement. Upon the occurrence and during the continuation of an Event of Default:

(a) The Assignor's license under the Patents and Trademarks as set forth in Section 12 hereof shall terminate forthwith, and the Security Trustee shall have the sole right but shall in no way be obligated to bring suit to enforce the Patents and Trademarks and any license thereunder, in which event the Assignor shall at the request of the Security Trustee do any and all lawful acts and execute any and all proper documents required by the Security Trustee in aid of such enforcement and the Assignor shall promptly, upon demand, reimburse and indemnify the Security Trustee for all costs and expenses incurred by the Security Trustee in the reasonable exercise of its rights under this Section 13.

(b) Without in any way limiting the remedies set forth in (a) above, the Security Trustee may exercise in respect of the Patents and Trademarks, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Texas (the "Code") at that time (whether or not the Code applies to the affected Patents and Trademarks). The Security Trustee shall not be obligated to make any sale of the Patents regardless of notice of sale having been given. The Security Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) All cash proceeds received by the Security Trustee in respect of any sale of, collection from, or other realization upon all or any part of the Patents and Trademarks may, in the discretion of the Security Trustee, be held by the Security Trustee as collateral for, and/or then or at any time thereafter applied in whole or in part by the Security Trustee for

the ratable benefit of the Banks and Hedging Counterparties. Any surplus of such cash or cash proceeds held by the Security Trustee and remaining after payment in full of all the Obligations shall be paid over to the Assignor or to whomsoever may be lawfully entitled to receive such surplus.

SECTION 13. Declaration of Trust. The Assignor and the Security Trustee hereby acknowledge that all rights, titles and interests constituted by this Agreement and all other moneys, property and assets paid to the Security Trustee under this Agreement are held by the Security Trustee subject to and on the terms of the trusts declared in clause 17.15 of the Facilities Agreement.

SECTION 14. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Assignor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Assignor and the Security Trustee, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 15. Continuing Assignment; Transfer of Advances. This Agreement shall create a continuing assignment of the Patents and of the Trademarks and shall remain in full force and effect until final and absolute payment in full of the Obligations, (ii) be binding upon the Assignor, its successors and assigns and (iii) inure to the benefit of the Security Trustee, Banks and Hedging Counterparties, and their respective successors transferees and assigns. Upon final and absolute payment in full of the Obligations, the assignment hereunder shall terminate and all rights to the Patents and Trademarks shall revert to the Assignor, subject to any disposition thereof which may have been made by the Security Trustee pursuant hereto or pursuant to the Agreement to which Assignor is a party. Upon any such termination, the Security Trustee will, at the Assignor's expense, execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination.

SECTION 16. Cumulative Remedies; Effect on Security Agreement. All of the Security Trustee's, Finance Parties' rights and remedies with respect to the Patents and Trademarks, whether established hereby, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. The Assignor hereby acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Security Trustee and Finance Parties under the separate Security Agreement of even date herewith made by Assignor in favor of the Security Trustee but rather is intended to facilitate the exercise of such rights and remedies.

SECTION 17. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

SECTION 18. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction,


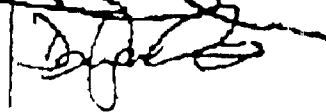
then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

SECTION 19. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.

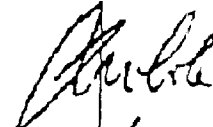
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Director

PROTECTOR INTERNATIONAL INC.

By 
15 

ROBERT FLEMING & CO. LIMITED
as Security Trustee for itself
and on behalf of the Finance Parties

By 
Its authorized signatory

SCHEDULE A
PATENT AND TRADEMARK COLLATERAL
ASSIGNMENT AND SECURITY AGREEMENT

Patents and Patent Applications Owned by Assignor

NONE

A - I

SCHEDULE B

PATENT AND TRADEMARK COLLATERAL
ASSIGNMENT AND SECURITY AGREEMENT
PROTECTA INTERNATIONAL

Trademarks Owed by Assignor

Trade Mark	Country	Status	Application/ Registration Number	Filing Date
PROTECTA	United States	Registered	1,917,597	03/02/94

SCHEDULE C

PATENT AND TRADEMARK COLLATERAL
ASSIGNMENT AND SECURITY AGREEMENT

Litigation

C - 1