

05-06-2002



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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

T U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): NKL Industries, Ltd. [] Individual(s) [] Association [] General Partnership [] Limited Partnership [X] Corporation-State Virginia [] Other Additional name(s) of conveying party(ies) attached? [] Yes [X] No

2. Name and address of receiving party(ies) Name: Transamerica Business Capital Internal Suite 720 Corporation, as Agent Address: Suite 720 Street Address: 8750 W. Bryn Mawr City: Chicago State: IL Zip: 60631 [] Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [X] Corporation-State Delaware [] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [] Yes [] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [] Yes [] No

3. Nature of conveyance: [] Assignment [] Merger [X] Security Agreement [] Change of Name [] Other Execution Date: 04/24/2002

4. Application number(s) or registration number(s): A. Trademark Application No.(s) See attached Schedule 1 B. Trademark Registration No.(s) See attached Schedule 1 Additional number(s) attached [X] Yes [] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Michelle K. Matthes Internal Address: Latham & Watkins Suite 5800 Street Address: 233 South Wacker Drive City: Chicago State: IL Zip: 60606

6. Total number of applications and registrations involved: 5 7. Total fee (37 CFR 3.41) \$140.00 [X] Enclosed [] Authorized to be charged to deposit account 8. Deposit account number: (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. Michelle K. Matthes Name of Person Signing Signature Date Michelle K. Matthes May 3, 2002 Total number of pages including cover sheet, attachments, and document: []

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

05/07/2002 GT0N11 00000078 2068971

01 FC:481 40.00 DP 02 FC:482 100.00 DP

TRADEMARK REEL: 002498 FRAME: 0615

**SCHEDULE I
TO
TRADEMARK SECURITY AGREEMENT**

TRADEMARK REGISTRATIONS

UNITED STATES MARKS

OWNER	TRADEMARK	REGISTRATION DATE AND NO.
NKL Industries, Ltd.	Auditdoor	06/10/97 2,068,971
NKL Industries, Ltd.	Avl	02/16/99 2,224,650
NKL Industries, Ltd.	Intellisafe	02/19/02 2,541,670
NKL Industries, Ltd.	Nkl Safe	09/18/01 2,490,541

TRADEMARK APPLICATIONS

Mark	Application Number	Date
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Auditlok	S.N. 76/110122	
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TRADEMARK LICENSES

Name of Agreement	Parties	Date of Agreement
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N/A

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Sched. I -1

CH_DOCS\393662.2[W2000]

**TRADEMARK
REEL: 002498 FRAME: 0616**

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of April 24, 2002, by NKL INDUSTRIES, LTD., a Virginia corporation ("Grantor"), in favor of TRANSAMERICA BUSINESS CAPITAL CORPORATION, a Delaware corporation, in its capacity as Agent for Lenders.

WITNESSETH:

WHEREAS, pursuant to that certain Loan Agreement dated as of the date hereof by and among Grantor, the Persons named therein as other Borrowers, Loan Parties, Agent and the Persons signatory thereto from time to time as Lenders (including all exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Lenders have agreed to make the Loans and to incur Letter of Credit Obligations for the benefit of Grantor and the other Borrowers party thereto;

WHEREAS, Agent and Lenders are willing to make the Loans and to incur Letter of Credit Obligations as provided for in the Loan Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Agent, for itself and the ratable benefit of Lenders, that certain Security Agreement dated as of the date herewith (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Agent, for itself and the ratable benefit of Lenders, this Trademark Security Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule A thereto to the Loan Agreement.

2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL. Grantor hereby grants to Agent, on behalf of itself and Lenders, a continuing first priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Trademark Collateral"):

(a) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and


(d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Trademark Security Agreement are granted in conjunction with the security interests granted to Agent, on behalf of itself and Lenders, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

NKL INDUSTRIES, LTD.

By: 
Name: ROBERT J. VOIGT
Title: SECRETARY

ACCEPTED AND ACKNOWLEDGED BY:

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

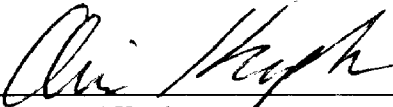
IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

NKL INDUSTRIES, LTD.

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By: 
Name: Ari Kaplan
Title: Vice President

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N/A

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Sched. I -1

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RECORDED: 05/06/2002

**TRADEMARK
REEL: 002498 FRAME: 0621**