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HEET

U.S. DEPARTMENT OF
Patent and Trademark



102108587

Tab settings

6-3-02

To the Honorable Commissioner of Patents

Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Korden, Inc.

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

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

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

May 10, 2002

Execution Date:

2. Name and address of receiving party(ies)

Name: Heller Financial, Inc., as Agent

Internal Address:

Street Address : 500 West Monroe Street

City: Chicago State: IL Zip: 60661

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation State Delaware

Other

If assignee is not domiciled in the United States, a designation is attached: Yes No
(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or trademark

A. Trademark Application No.(s)
- 76366998 -

B. Trademark Registration
- 1700578 -

Additional numbers attached? NO

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

Name:

Internal Address:

RETURN TO:

FEDERAL RESEARCH CORP

400 SEVENTH STREET NW

Street Address: **SUITE 101**

WASHINGTON DC 20004

City: Stat ZIP

6. Total number of applications and registrations

2

7. Total fee (37 CFR)

\$ 65.00

Enclosed

Authorized to be charged to deposit

8. Deposit account number:

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

06/04/2002 6TON11 00000015 76366998

01 FC:481 40.00 DP
02 FC:482 25.00 DP

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 of the original document.

Terese M. Scholl

Name of Person

Terese M. Scholl

Signature

05/29/02

Date

7

Total number of pages including cover sheet, attachments, and

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

TRADEMARK SECURITY AGREEMENT

10th THIS TRADEMARK SECURITY AGREEMENT (the "Agreement") made as of this day of May, 2002 by Korden, Inc., a California corporation ("Grantor"), in favor of Heller Financial, Inc., a Delaware corporation, in its capacity as Agent for the Lenders party to the Credit Agreement (defined below) ("Grantee"):

W I T N E S S E T H

WHEREAS, Red Hawk Industries, LLC, a Colorado limited liability company ("Borrower"), has entered into that certain Credit Agreement dated as of September 28, 2001 (as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement") with Grantee and Lenders providing for extensions of credit and other financial accommodations to be made to Borrower by Lenders; and providing for the extensions of credit to be made to Borrower by Lenders;

WHEREAS, Grantor is a wholly-owned Subsidiary of Borrower;

WHEREAS, Grantor will derive substantial benefit and advantage from the financial accommodations available to the Borrower set forth in the Credit Agreement, including the loans and advances made to the Borrower thereunder, and it will be to Grantor's direct interest and economic benefit to assist the Borrower in procuring such financing accommodations from the Lenders;

WHEREAS, to induce Grantee and the Lenders to continue to make the Loans under the Credit Agreement, Grantor has agreed to guaranty the Obligations (as defined in the Credit Agreement) of Borrower pursuant to that certain Guaranty dated as of September 28, 2001 by Grantor and affiliates of Grantor to Grantee (the same, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Guaranty") and to pledge and grant a security interest in the Collateral as security for the Obligations; and

WHEREAS, pursuant to the terms of that certain Security Agreement dated as of September 28, 2001 (as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time, the "Security Agreement"), by and among Grantor, affiliates of Grantor and Grantee, Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks, together with the goodwill of the business symbolized by Grantor's Trademarks, and all products and proceeds thereof, to secure the Secured Obligations;

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

1. Incorporation of Credit Agreement. The Credit Agreement and Security Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Secured Obligations, Grantor hereby grants to Grantee, and hereby reaffirms its grant pursuant to the Security Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether now owned or existing or hereafter created or acquired:

(i) each Trademark listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(ii) all products and proceeds of the forgoing, including without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark, or (b) injury to the goodwill associated with any Trademark.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation licenses and covenants by Grantor not to sue third persons;

(ii) Grantor has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iii) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until the Secured Obligations shall have been satisfied in full and the Credit Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Trademark or enter into any other agreement with respect to any Trademark, and Grantor further agrees that it shall 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 to Grantee under this Agreement.

5. Product Quality. Grantor agrees (i) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with commercially reasonable business practices, and (ii) to provide Grantee, upon Grantee's request from time to time, with a certificate of an officer of Grantor certifying Grantor's compliance with the foregoing. Upon the occurrence of an Event of Default, Grantor agrees that Grantee, or a conservator appointed by Grantee, shall have the right to establish such additional product quality controls as Grantee, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Grantor under the Trademarks.

6. Grantee's Right to Sue. After an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any

and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Section 6.

7. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Trademarks, whether established hereby or by the Security Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee, upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Grantee deems to be in the best interest of Grantee, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Secured Obligations shall have been paid in full and the Credit Agreement has been terminated. Grantor hereby further acknowledges and agrees that the use by Grantee of the Trademarks shall be worldwide, except as limited by their terms, and without any liability for royalties or related charges from Grantee to Grantor.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

KORDEN, INC., a California corporation

By: David Charles
Name: DAVID D CHARLES
Its: President, CEO

Agreed and Accepted
As of the Date First Written Above

HELLER FINANCIAL, INC., as Agent

By: _____
Luis Viera
Vice President

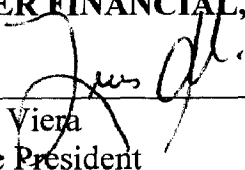
IN WITNESS WHEREOF, Grantor has duly executed this Agreement as of the date first written above.

KORDEN, INC., a California corporation

By: _____
Name: _____
Its: _____

Agreed and Accepted
As of the Date First Written Above

HELLER FINANCIAL, INC., as Agent

By:  _____
Luis Viera
Vice President

SCHEDULE A

TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
Korden (word mark)	1700578	July 14, 1992

TRADEMARK APPLICATIONS

<u>Trademark Application Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
Firepro (Typed Drawing) (ITU Application)	76366998	February 4, 2002