

12-06-2005



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To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

Strategic Materials, Inc.

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

Citizenship (see guidelines) Delaware

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) December 1, 2005

- Assignment
- Security Agreement
- Other Amendment No. 1 to Trademark Security Agreement
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., as Agent

Internal Address: 16th Floor

Street Address: 222 N. LaSalle Street

City: Chicago

State: IL

Country: U.S.A. Zip: 60601

- Association
- General Partnership
- Limited Partnership
- Corporation
- 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)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

See continuation of item 4 attached hereto.

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Linda R. Kastner

Internal Address: c/o Latham & Watkins

Sears Tower, Suite 5800

Street Address: 233 S. Wacker Drive

City: Chicago

State: IL Zip: 60606

Phone Number: 312-876-7628

Fax Number: 312-993-9767

Email Address: Linda.Kastner@LW.com

6. Total number of applications and registrations involved:

5

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$140.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

Linda R. Kastner
Signature

December 2, 2005

Date

12/06/2005 DBYRNE 00000113 2184411

40.00 of
National Person Signing

Total number of pages including cover sheet, attachments, and document: 7

01 FC:8521
02 FC:8522
03 FC:8523

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Continuation of Item 4

U.S. REGISTRATION NOS

2,184,411
1,989,146
2,232,573
2,247,241
2,583,115

AMENDMENT NO. 1 TO TRADEMARK SECURITY AGREEMENT

THIS AMENDMENT NO. 1 TO TRADEMARK SECURITY AGREEMENT ("Amendment"), dated as of December 1, 2005 is entered into between Strategic Materials, Inc., a Delaware corporation ("Grantor"), and MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC., a Delaware corporation, in its capacity as Agent for Lenders ("Grantee").

WITNESSETH:

WHEREAS, Grantor and Grantee are parties to that certain Trademark Security Agreement dated as of September 30, 2005 which reflects that Grantor is the owner of the trademarks listed on Schedule A attached hereto (the "Trademark Security Agreement") and which was filed with the United States Patent and Trademark Office on October 11, 2005 at Reel 003173, Frame 0871. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Trademark Security Agreement.

WHEREAS, Grantor desires to amend the Trademark Security Agreement to reflect that each reference to the Note Purchase Agreement shall be deemed to refer to the Second Lien Credit Agreement and each reference to the Noteholders shall be deemed to refer to the Lenders.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. Amendment to Trademark Security Agreement. Each reference to the Note Purchase Agreement shall be deemed to refer to the Second Lien Credit Agreement and each reference to the Noteholders shall be deemed to refer to the Lenders.

2. Absence of Waiver or Setoff.

2.1. No Waiver. Grantee and Grantor agree that the amendment set forth in Section 1 hereof shall be limited precisely as written and except as expressly set forth in Section 1 of this Amendment, shall not be deemed to be a consent to any waiver or modification of any other term or condition of the Trademark Security Agreement or any other Loan Document.

2.2. Acknowledgment of Liabilities. Grantor acknowledges and agrees that there is no defense, setoff or counterclaim of any kind, nature or description to the Obligations or the payment thereof when due.

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

(i) Grantor is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation; and

(ii) this Amendment is a legal, valid, and binding obligation of Grantor, enforceable against Grantor in accordance with its terms.

4. Miscellaneous.

(i) Section headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

(ii) This Amendment may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same agreement.

(iii) This Amendment shall be a contract made under and governed by the laws of the State of Illinois, without giving effect to principles of conflicts of laws.

(iv) All obligations of Grantor and rights of Grantee that are expressed herein, shall be in addition to and not in limitation of those provided by applicable law.

(v) Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law; but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

(vi) This Amendment shall be binding upon Grantor and Grantee and their respective successors and assigns, and shall inure to the benefit of Grantor and Grantee and the successors and assigns of Grantee.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

STRATEGIC MATERIALS, INC.

By: Allan J. Goertz
Name: ALLAN J. GOERTZ
Title: VICE PRES.

MERRILL LYNCH CAPITAL
CORPORATION, A DIVISION OF
MERRILL LYNCH BUSINESS
FINANCIAL SERVICES INC., AS
AGENT

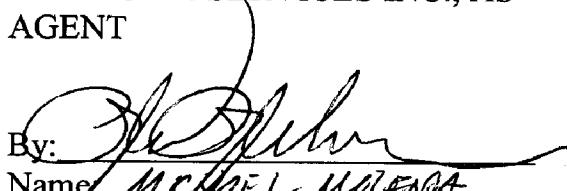
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

STRATEGIC MATERIALS, INC.

By: _____
Name: _____
Title: _____

MERRILL LYNCH CAPITAL
CORPORATION, A DIVISION OF
MERRILL LYNCH BUSINESS
FINANCIAL SERVICES INC., AS
AGENT

By: 
Name: MICHAEL MOLENA
Title: VICE PRESIDENT

SCHEDULE A

Strategic Materials, Inc.

TRADEMARK REGISTRATIONS

<u>Trademark Description</u>	<u>U.S. Registration No.</u>	<u>Date Registered</u>
STRATEGIC MATERIALS	2,184,411	08/25/1998
WHITEBLAST	1,989,146	07/23/1996
“globe with S puzzle design” (SMI logo)	2,232,573	03/16/1999
GLASS ROOTS	2,247,241	05/25/1999
STRATA-BLAST	2,583,115	06/18/2002

TRADEMARK APPLICATIONS

None.