

06-10-1998

Tab settings
To the Honorable Commissioner



100734395

had original documents or copy thereof.

1. Name of conveying party(ies):
ZAPATA INDUSTRIES, INC.

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

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Amendment to Security Agree.
- Merger
- Change of Name

Execution Date: As of October 10, 1997

2. Name and address of receiving party(ies)

Name: NATIONAL BANK OF CANADA

Internal Address:

Street Address: 5100 Town Center Cir., #431
Boca Raton
City: Boca Raton State: FL ZIP: 33486

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Canadian Chartered Bank

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

MRD 5-23-98

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

927,467 (1/18/72), 978,757 (2/12/74),
1,193,863 (4/20/82), 912,999 (6/8/71)
1,797,519 (10/12/93), 885,982 (2/10/70)

Additional numbers attached? Yes No

TM

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

Name: Dean A. Brooks

Internal Address:

Street Address: c/o Mombach, Boyle

500 E. Broward Blvd., Suite 1950

City: Ft. Lauderdale State: FL ZIP: 33394

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41) \$ 165.00

- 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.

Dean A. Brooks

Name of Person Signing

Signature

5/18/98

Date

Total number of pages including cover sheet, attachments, and document: 8

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

06/10/1998 JSHBAZZ 00000054 978757

01 FC:481
02 FC:482

40.00 OP
125.00 OP

AMENDMENT TO AND REAFFIRMATION OF SECURITY AGREEMENTS

THIS AMENDMENT TO AND REAFFIRMATION OF SECURITY AGREEMENTS is made and entered into as of the 10th day of October, 1997 by ZAPATA INDUSTRIES, INC., a Pennsylvania corporation ("Debtor"), in favor of NATIONAL BANK OF CANADA, a Canadian Chartered Bank ("Secured Party").

W I T N E S S E T H:

WHEREAS, Debtor did execute and deliver that certain Security Agreement in favor of NATIONAL CANADA FINANCE CORP., a National Bank of Canada Subsidiary ("NCFC"), dated as of May 24, 1995 (the "Security Agreement"), that certain Patent Security Agreement in favor of NCFC dated as of May 24, 1995, and that certain Trademark Security Agreement in favor of NCFC dated as of May 24, 1995 (collectively with the Security Agreement, and as modified by that certain Amendment to and Reaffirmation of Security Agreements dated as of April 12, 1996, executed by Debtor and NCFC, the "Security Agreements"); and

WHEREAS, the Security Agreements secure all debts and obligations of Debtor and ZAPATA INNOVATIVE PLASTICS, INC., a Delaware corporation ("Plastics"; collectively with Debtor, the "Borrowers") to NCFC, including without limitation, that certain revolving loan in the amount of Five Million (\$5,000,000.00) Dollars as evidenced by that certain Modification and Assumption Master Revolving Promissory Note in the amount of Five Million (\$5,000,000.00) Dollars executed by Borrowers in favor of NCFC dated as of April 12, 1996 (the "Revolving Note"), and, that certain term loan in the amount of Five Million Six Hundred Forty-Two Thousand Eight Hundred Seventy-Two and 10/100 (\$5,642,872.10) as evidenced by that certain Modification and Assumption Promissory Note in the amount of Five Million Six Hundred Forty-Two Thousand Eight Hundred Seventy-Two and 10/100 (\$5,642,872.10) executed by Borrowers in favor of NCFC dated as of April 12, 1996 (the "Term Note"; the Revolving Note and the Term Note sometimes hereinafter collectively referred to as the "Original Notes"). Additionally, Debtor and Secured Party did enter into that certain Loan Agreement dated as of the 24th day of May, 1995, as amended by a First Amendment to Loan Agreement executed by Borrowers and NCFC dated as of April 12, 1996, and assigned by NCFC to Secured Party (collectively, the "Loan Agreement") in connection with the same. The loans evidenced by the Original Notes and the Loan Agreement are sometimes hereinafter collectively referred to as the "Original Loans"; and

WHEREAS, NCFC has assigned to Secured Party the Original Notes, the Loan Agreement, the Security Agreements and all associated loan documents evidencing and/or securing the Original Loans; and

WHEREAS, Borrowers have requested, and Secured Party has agreed, to modify and increase the Original Loans, to consist of a revolving loan in the amount of Five Million and 00/100 Dollars (\$5,000,000.00), as evidenced by that certain Modification Master Revolving Promissory Note in the amount of Five Million and 00/100 Dollars (\$5,000,000.00) dated of even date herewith executed or to be executed by Borrowers in favor of Secured Party (the "Modification Revolving Note"), a consolidation term loan in the amount of Five Million Two

Hundred Thousand and 00/100 Dollars (\$5,200,000.00), as evidenced by that certain Consolidation Promissory Note in the amount of Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00) executed or to be executed by Borrowers in favor of Secured Party dated as of even date herewith (the "Consolidation Note"), and a CAPEX line of credit/term loan in the amount of Two Million and 00/100 Dollars (\$2,000,000.00), as evidenced by that certain CAPEX Line/Term Promissory Note in the amount of Two Million and 00/100 Dollars (\$2,000,000.00) executed or to be executed by Borrowers in favor of Secured Party dated as of even date herewith (the "CAPEX Note"; collectively with the Modification Revolving Note and the Consolidation Note, the "Notes"). The loans evidenced by the Notes are collectively referred to herein as the "Loans"; and

WHEREAS, Borrowers and Secured Party have entered into that certain Second Amendment to Loan Agreement dated of even date herewith (the "Second Amendment"), which modifies the Loan Agreement (the Loan Agreement, as modified by the Second Amendment, and as the same may be further modified from time to time, being sometimes hereinafter collectively referred to as the "Amended Loan Agreement"); and

WHEREAS, the parties wish to acknowledge the assignment, modification and increase of the Original Loans and reaffirm the Security Agreements in accordance with the terms and provisions set forth herein.

NOW, THEREFORE, in consideration of the premises, and in order to induce the Secured Party to effectuate the assignment, modification and increase of the Original Loans, Debtor hereby agrees as follows:

1. The above and foregoing preamble is acknowledged by the parties to be true and is incorporated herein by reference.

2. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Security Agreements.

3. From and after the date hereof, any and all references in the Security Agreements to the "Note" or "Notes" shall mean and refer to the Notes (as defined herein), and any and all references in the Security Agreements to the "Loan Agreement" shall mean and refer to the Amended Loan Agreement (as defined herein).

4. Section 2 of the Security Agreement is hereby amended and restated so that, from and after the date hereof, it shall read in its entirety as follows:

2. Security for Obligations. This Agreement secures the payment of any and all indebtedness, obligations and liabilities of any kind whatsoever of the Debtor and ZAPATA INNOVATIVE PLASTICS, INC., a Delaware corporation ("Plastics") to the Secured Party, and also to others to the extent of their participations granted to or interests therein created or acquired for them by the Secured Party, now or hereafter

existing, of every kind and description, whether matured or unmatured, direct or contingent, including obligations in respect to future advances, whether or not there shall have been made the initial advance under the Notes and the Loan Agreement, and whether for principal, interest, fees, expenses or otherwise, including, without limitation, all obligations of the Debtor and Plastics now or hereafter existing (a) under the Notes and the Loan Agreement, (b) under this Agreement, and (c) under existing or future promissory notes of the Debtor and/or Plastics (all such obligations of the Debtor and Plastics being hereinafter referred to as the "Obligations").

5. Section 11 of the Security Agreement is hereby amended and restated so that from and after the date hereof, it shall read in its entirety as follows:

11. Events of Default. Debtor shall be in default under this Security Agreement upon the happening of any of the following events:

(a) If Debtor and/or Plastics, as applicable: (i) defaults in the due performance or observance of any obligation of Borrower under the Notes or any of them, subject to any notice and cure periods set forth therein, if any, or (ii) defaults in the due performance or observance of any obligation of Debtor under this Security Agreement and fails to cure such latter default within ten (10) days of written notice of the occurrence of the event of default; provided, however, if such non-performance or violation may not reasonably be cured within such ten (10) day time period an Event of Default shall not be deemed to have occurred so long as the same shall be diligently and continuously endeavored to be cured. Notwithstanding the foregoing, it shall be an Event of Default if such non-performance or violation has not been cured within sixty (60) days after written notice thereof;

(b) The occurrence of any Event of Default under the Loan Agreement, subject to any notice and cure periods set forth therein, if any;

(c) Failure to pay any other obligation, liability or claim hereby secured;

(d) Loss, theft, substantial change or destruction to the Collateral, unless adequately insured against or replaced within thirty (30) days of loss.

(e) If Debtor subjects any Collateral to a security interest in favor of any party other than the Secured Party, excepting that Debtor shall be permitted to purchase specific new machinery and/or new equipment and pledge a purchase money security interest in said machinery and/or equipment, provided that Debtor provides Secured Party with at least fifteen (15) days prior written notice of the same, including a description of and the purchase price of the specific machinery and/or equipment being purchased.

(f) If the Debtor and/or Plastics shall have failed to comply with any other agreement, covenant, condition, provision or term contained in any of the Loan

Documents (as defined in the Loan Agreement), subject to any notice and cure periods set forth in said documents, if any.

Then, upon the happening of any of the foregoing events of default, the promissory note or notes, the Loan Agreement and all other obligations, liabilities and claims secured hereby, shall become immediately due and payable. Debtor expressly waives any presentment, demand, protest or other notice of any kind.

6. The Notes together with any and all other promissory notes and/or loan and/or credit agreements executed by Debtor and/or Plastics in favor of Secured Party, whether now existing or hereafter created, are secured by the Security Agreements.

7. Any and all references to the Obligations set forth in the Security Agreements shall be deemed to include the Notes and the Amended Loan Agreement, such that it is agreed, acknowledged and understood that the Security Agreements secure the Loans and all other indebtedness and obligations due and owing from Debtor and/or Plastics to Secured Party, whether now in existence or hereafter created, whether direct or indirect, and whether arising from loans, guaranties, endorsements or otherwise (the "Indebtedness").

8. Debtor does hereby reaffirm all pledges, hypothecations, assignments, subordinations, security interests and encumbrances provided for by the Security Agreements, in favor of NCFC and assigned to Secured Party, and, hereby, reaffirms that the Security Agreements and all collateral associated therewith secure repayment of all of the Obligations and the Indebtedness.

9. Debtor hereby warrants and represents that all warranties, representations and covenants set forth in the Security Agreements are true and correct as of the date hereof and that the same are hereby restated and reaffirmed as if the same were made as of the date hereof. Debtor further warrants and represents that Debtor is not in default under any of the Security Agreements.

10. All UCC-1 Financing Statements and Patent and Trademark filings filed in connection with and in order to perfect the security interest of NCFC, as assigned to Secured Party, provided by the Security Agreements as amended by this Agreement (the "Lender's Security Interest") remain in full force in effect and continue to perfect the Lender's Security Interest.

11. AS A MATERIAL INDUCEMENT FOR SECURED PARTY TO EXECUTE THIS AGREEMENT AND MODIFY AND INCREASE THE ORIGINAL LOANS, DEBTOR DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE NCFC AND SECURED PARTY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS AND THEIR AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES

AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH THE DEBTOR EVER HAD, NOW HAS, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF THE DEBTOR HEREAFTER CAN, SHALL OR MAY HAVE AGAINST NCFC, SECURED PARTY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, AND THEIR AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER THROUGH THE DATE HEREOF. THE DEBTOR FURTHER EXPRESSLY AGREES THAT THE FOREGOING RELEASE AND WAIVER AGREEMENT IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF NEW YORK. IN ADDITION TO, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND IN CONSIDERATION OF THE SECURED PARTY'S EXECUTION OF THIS AGREEMENT AND MODIFICATION AND INCREASE OF THE ORIGINAL LOANS, THE DEBTOR COVENANTS WITH AND WARRANTS UNTO NCFC AND SECURED PARTY, AND THEIR AFFILIATES AND ASSIGNS, THAT THERE EXIST NO CLAIMS, COUNTERCLAIMS, DEFENSES, OBJECTIONS, OFFSETS OR CLAIMS OF OFFSETS AGAINST NCFC, THE SECURED PARTY OR THE OBLIGATION OF THE DEBTOR AND PLASTICS TO PAY THE OBLIGATIONS AND THE INDEBTEDNESS TO THE SECURED PARTY WHEN AND AS THE SAME BECOMES DUE AND PAYABLE.

12. In the event of any conflict between the terms and provisions of any of the Security Agreements and the terms and provisions of this Amendment, the terms and provisions of this Amendment thereof shall control and prevail, and otherwise, except as modified herein, the Security Agreements remain in full force and effect.

13. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

14. The Security Agreements, as modified by this Amendment, shall be governed by and interpreted under the internal laws (and not the law of conflicts) of the State of New York, except as required by mandatory provisions of laws and except to the extent that the validity or perfection of the security interest created by the Security Agreements (as modified by this Amendment), or remedies under the Security Agreements (as modified by this Amendment), in respect of any particular collateral are governed by the laws of a jurisdiction other than the State of New York.


15. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT NO SUIT OR ACTION SHALL BE COMMENCED BY THE BORROWERS, OR BY ANY SUCCESSOR, PERSONAL REPRESENTATIVE OR ASSIGNEE OF BORROWERS, WITH RESPECT TO THE INDEBTEDNESS SECURED HEREBY, WITH RESPECT TO THE SECURITY AGREEMENTS, AS MODIFIED BY THIS AMENDMENT, OR ANY ASSOCIATED LOAN DOCUMENTS, OTHER THAN IN A STATE COURT OF COMPETENT JURISDICTION, IN AND FOR THE COUNTY OF THE STATE IN THE UNITED STATES IN WHICH THE

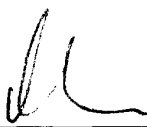
PRINCIPAL PLACE OF BUSINESS OF SECURED PARTY IS SITUATED, OR IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT IN THE UNITED STATES IN WHICH THE PRINCIPAL PLACE OF BUSINESS OF SECURED PARTY IS SITUATED, AND NOT ELSEWHERE. NOTHING CONTAINED IN THIS PARAGRAPH SHALL PROHIBIT SECURED PARTY FROM INSTITUTING SUIT IN ANY COURT OF COMPETENT JURISDICTION FOR THE ENFORCEMENT OF ITS RIGHTS UNDER THE SECURITY AGREEMENTS (AS MODIFIED BY THIS AMENDMENT), IN THE NOTES, IN THE AMENDED LOAN AGREEMENT, OR IN ANY ASSOCIATED LOAN DOCUMENT.

DEBTOR AND SECURED PARTY HEREBY MUTUALLY, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THE SECURITY AGREEMENTS, AS REAFFIRMED, THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED OR TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALING STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF EITHER PARTY.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed the day and year first above written.

Signed, sealed and delivered
in the presence of:



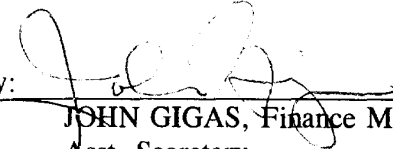


DEBTOR:

ZAPATA INDUSTRIES, INC., a Pennsylvania corporation

By: 

RAYMOND TORRES, Chief Operating Officer


By: 

JOHN GIGAS, Finance Manager and Asst. Secretary

(Corporate Seal)

SECURED PARTY:

NATIONAL BANK OF CANADA,
a Canadian Chartered Bank



By: 
FRANK H. D'ALTO, Vice President

C:\WPDOCS\DAB\ZAPATA\AMENDSEC.1
October 9, 1997

