

06-10-1998



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To the Honorable Commission

100734397

Send original documents or copy thereof.

MRD 5-23-98

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
- 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., #430
Boca Raton FL 33486
City: State: ZIP:

- 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

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

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

8

Date

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

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

06/10/1998 JSHABAZZ 00000056 1193863

01 FC:481
02 FC:482

40.00 OP
125.00 OP

EXHIBIT "A"

**Zapata Industries, Inc.
Schedule of Trademarks**

<u>Trademark</u>	<u>Registration Number</u>	<u>Date Registered</u>
FROM Z TO A THE BEST OF EVERYTHING IN CROWNS	927,467	1/18/72
FROM Z TO A THE BEST OF EVERYTHING IN CLOSURES	978,757	2/12/74
FROM Z TO A THE BEST OF EVERYTHING IN CROWNS AND CLOSURES	1,193,863	4/20/82
PURESEAL	1,797,519	10/12/93
ZA-MATIC	912,999	6/8/71
ZAPATA	885,982	2/10/70

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TRADEMARK
REEL: 1738 FRAME: 0535

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT is made as of the 10th day of October, 1997, by and between ZAPATA INDUSTRIES, INC., a Pennsylvania corporation, having offices located at 4400 Don Cayo Drive, Muskogee, Oklahoma 74403 (the "Debtor"), and NATIONAL BANK OF CANADA, a Canadian Chartered Bank, having offices located at 5100 Town Center Circle, Suite 430, Boca Raton, Florida 33486 (the "Secured Party").

WHEREAS, Secured Party has agreed to modify and make those certain loans in the aggregate principal amount of Twelve Million Two Hundred Thousand and 00/100 Dollars (\$12,200,000.00) (collectively, the "Loan") to Debtor and to ZAPATA INNOVATIVE PLASTICS, INC., a Delaware corporation ("Plastics"), which Loan is evidenced by a Modification Master Revolving Promissory Note in the principal amount of Five Million and 00/100 Dollars (\$5,000,000.00), a Consolidation Promissory Note in the principal amount of Five Million Two Hundred Thousand and 00/100 Dollars (\$5,200,000.00) and a CAPEX Line/Term Promissory Note in the principal amount of Two Million and 00/100 Dollars (\$2,000,000.00) executed by Debtor and Plastics in favor of Secured Party (said promissory notes being hereinafter collectively referred to as the "Notes"), a Loan Agreement executed by Debtor and NATIONAL CANADA FINANCE CORP, a National Bank of Canada Subsidiary ("NCFC"), dated as of May 24, 1995, as amended by a First Amendment to Loan Agreement executed by Debtor, Plastics, and Secured Party dated as of April 12, 1996, as assigned by NCFC to Secured Party, as further amended by a Second Amendment to Loan Agreement dated of even dated herewith executed by Debtor, Plastics and Secured Party, and as the same may be further amended from time to time (collectively the "Loan Agreement"), one or more Security Agreements, and other collateral loan documents (all of the foregoing, as amended, assigned and reaffirmed from time to time being hereinafter collectively referred to as the "Loan Documents");

WHEREAS, all capitalized terms not specifically defined herein shall have the meanings assigned to them in the Loan Agreement; and

WHEREAS, as a condition to granting the Loan, the Secured Party has required the Debtor to execute and deliver this Trademark Security Agreement as security for all of the Debtor's obligations to Secured Party.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. (a) To secure the complete and timely satisfaction of all Indebtedness (as defined herein), the Debtor hereby grants to the Secured Party a security interest in and to: (i) those certain trademarks more particularly described on Exhibit "A" attached hereto, including without limitation all renewals thereof, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringement and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks"); and (ii) all of the Debtor's goodwill and general intangibles.

(b) The term "Indebtedness" means all obligations of any kind owing by the Debtor to the Secured Party. Indebtedness includes, without limitation, the Debtor's obligations under the Notes and all other Loan Documents, and all other obligations of the Debtor to the Secured Party which: (i) are now existing or hereafter incurred; (ii) are direct or indirect; or (iii) arise from loans, guaranties, endorsements or otherwise. The Indebtedness may be: (i) related or unrelated to the purpose of the original extension of credit; (ii) of the same or a different class as the primary obligation; and (iii) from time to time reduced or extinguished and thereafter increased or reincurred.

2. The Debtor covenants and warrants that:

(a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;

(b) To the best of the Debtor's knowledge, each Trademark is valid and enforceable;

(c) To the best of the Debtor's knowledge, the Trademarks are subject to no claim of infringement, unfair competition, or any other claim that the use of any Trademark does or may violate the right of any third person, and to the best of the Debtor's knowledge, there is no pending interference, opposition or cancellation proceeding or other pending material litigation involving any of the Trademarks;

(d) The Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Trademarks, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by the Debtor not to sue third persons;

(e) The Debtor has the unqualified right to enter into this Trademark Security Agreement and perform its terms;

(f) The Debtor has used, and will continue to use for the duration of this Trademark Security Agreement, proper statutory notice in connection with its use of the Trademarks;

(g) The Debtor has used, and will continue to use for the duration of this Trademark Security Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks;

(h) To the best of the Debtor's knowledge, there exists no event, condition, or occurrence that constitutes, or which with notice and/or the passage of time would constitute, a breach or default under any term or condition of the Trademarks; and

(i) The Debtor shall not take any action which would destroy or impair the security of the Secured Party under this Trademark Security Agreement.

3. The Debtor agrees that, until all of the Indebtedness shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with the Debtor's obligations under this Trademark Security Agreement.

4. Unless and until there shall have occurred an Event of Default under the Loan Agreement, the Debtor shall retain legal and equitable title to the Trademarks and shall have the exclusive and sole right to use the Trademarks on and in connection with products and services sold and/or utilized by the Debtor, in the ordinary course of the Debtor's business, for the Debtor's own benefit and account and for no other.

5. If any Event of Default shall have occurred under the Loan Agreement, the Secured Party shall have, in addition to all other rights and remedies given it by this Trademark Security Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located and, without limiting the generality of the foregoing, the Secured Party may immediately, without demand of performance and without other notice or demand whatsoever to the Debtor (except as set forth below), all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Florida, or elsewhere, the Trademarks, or any interest which the Debtor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds toward the payment of the Indebtedness. Any remainder of the proceeds after payment in full of the Indebtedness shall be paid over to the Debtor. Notice of any sale or other disposition of the Trademarks shall be given to the Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of any Trademark is to be made, which the Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, any holder of the Notes or the Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of any Trademark sold, free from any right of redemption on the part of the Debtor, which right is hereby waived and released.

6. At such time as the Debtor shall completely satisfy all of the Indebtedness and relinquish in writing its right, if any, to obtain further advances from the Secured Party, this Trademark Security Agreement and the security interests granted herein shall terminate and the Secured Party shall execute and deliver to the Debtor all UCC termination statements or other instruments as may be reasonably necessary to evidence such termination.

7. Any and all fees, costs and expenses, of any kind or nature, including reasonable attorneys' fees and legal expenses incurred by the Secured Party in connection with the preparation of this Trademark Security Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all fees in connection therewith) in public offices, the payment or discharge of any taxes, ~~counsel fees,~~

maintenance fees, encumbrances or otherwise protecting, maintaining or preserving any Trademark, or in defending or protecting any action or proceeding arising out of or related to any Trademark, shall be borne and paid by the Debtor on demand by the Secured Party, and until so paid shall be added to the principal amount of the Indebtedness and shall bear interest at the default rate of interest (as determined in the Notes).

8. The Debtor shall have the duty, through counsel acceptable to the Secured Party, until the Indebtedness shall have been paid in full, to make federal application on registrable but unregistered trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in each Trademark. Any expense incurred in connection with any Trademark shall be borne by the Debtor. The Debtor shall not abandon any Trademark without the consent of the Secured Party, which consent shall not be unreasonably withheld.

9. The Debtor shall have the right with the prior written consent of the Secured Party, which consent will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect any Trademark, in which event the Secured Party may, if necessary, be joined as a nominal party to such suit if the Secured Party shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. The Debtor shall promptly, upon demand, reimburse and indemnify the Secured Party for all damages, costs and expenses, including attorneys' fees, incurred by the Secured Party in the fulfillment of the provisions of this Section.

10. Upon the occurrence of any Event of Default under the Loan Agreement, the Debtor hereby authorizes and empowers the Secured Party to make, constitute and appoint any officer or agent of the Secured Party as the Secured Party may select, in its exclusive discretion, as the Debtor's true and lawful attorney-in-fact, with the power to endorse the Debtor's name on all applications, documents, papers and instruments necessary for the Secured Party to use the Trademarks, or to grant or issue any exclusive or non-exclusive license under each Trademark to anyone else, or necessary for the Secured Party to assign, pledge, convey or otherwise transfer title in or dispose of any Trademark to anyone else. The Debtor hereby ratifies all actions that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Trademark Security Agreement.

11. If the Debtor fails to comply with any of its obligations hereunder, the Secured Party may do so in the Debtor's name or in the Secured Party's name, but at the Debtor's expense, and the Debtor hereby agrees to reimburse the Secured Party in full for all expenses, including reasonable attorneys' fees, incurred by the Secured Party in protecting, defending and maintaining any Trademark.

12. No course of dealing between the Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under the Loan Agreement or other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder

or thereunder preclude any other further exercise thereof or the exercise of any other right, power or privilege.

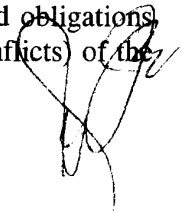
13. All of the Secured Party's rights and remedies with respect to the Trademarks, whether established hereby, by the Loan Agreement, by any other agreement or by law shall be cumulative and may be exercised singularly or concurrently. In the event of any conflict between the terms hereof and the terms of the Loan Agreement or any of the Loan Documents, the terms giving the greater rights or benefits to the Secured Party shall govern.

14. The provisions of this Trademark Security Agreement are severable, and if any clause or provision shall be held invalid and 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 Trademark Security Agreement in any jurisdiction.

15. This Trademark Security Agreement is subject to modification only by a writing signed by the parties.

16. This Trademark Security Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

17. The validity and interpretation of this Agreement and the rights and obligations of the parties hereto shall be governed by the internal laws (and not the law of conflicts) of the State of New York.



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18. Waiver of Trial by Jury. THE PARTIES HERETO DO HEREBY KNOWINGLY, VOLUNTARILY, MUTUALLY AND WILLINGLY WAIVE THEIR RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM, WHETHER NOW EXISTING OR ARISING IN THE FUTURE, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS, WHETHER ARISING FROM OR RELATED TO THE NEGOTIATION, EXECUTION AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS TRADEMARK SECURITY AGREEMENT, THE NOTES OR ANY ASSOCIATED LOAN DOCUMENTS RELATE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

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\TRADEMRK.1
October 8, 1997