

08-02-1999

FORM PTO 1618A  
Expires 6/30/99  
OMB 0651-0027



U.S. Department of Commerce  
Patent and Trademark Office  
**TRADEMARK**

101106997

7.30.99

**RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY**

**TO: The Commissioner of TRADEMARKS and Trademarks: Please record the attached original document(s) or copy(ies).**

**Submission Type**

**Conveyance Type**

New

Resubmission (Non-Recordation)  
Document ID#

Correction of PTO Error  
Reel #  Frame #

Corrective Document  
Reel #  Frame #

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment  
Effective Month Day Year

Merger

Change of Name

Other

**Conveying Party(ies)**

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

**Receiving Party**

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United states, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

08/02/1999 DWGUYEN 00000109 1511551

FOR OFFICE USE ONLY

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

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. TRADEMARK and Trademark office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027. TRADEMARK and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

**Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of TRADEMARKS and Trademarks, Box Assignments, Washington, D.C. 20231**

TRADEMARK  
REEL: 001936 FRAME: 0942

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments. #

**TRADEMARK Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1,511,551"/>	<input type="text" value="1,540,144"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved. #

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account  
(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

LINDA DOLE  
Name of Person Signing

  
Signature

7/26/99  
Date

**SECOND AMENDMENT TO  
COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS)**

THIS SECOND AMENDMENT TO COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) (this "*Amendment*"), dated as of June 24, 1999, is between Varel International, Inc. (formerly known as Varel Manufacturing Company), a Delaware corporation (the "*Borrower*"), and The Governor and Company of the Bank of Scotland, as Administrative Agent for the Lenders (defined below) (in such capacity, the "*Administrative Agent*").

**PRELIMINARY STATEMENTS**

A. The Borrower and General Electric Capital Corporation, a New York corporation ("*GE*"), are parties to a Loan and Security Agreement dated as of January 16, 1997, as amended (said Loan and Security Agreement, as so amended the "*GE Loan Agreement*").

B. In connection with the GE Loan Agreement, the Borrower executed the Collateral Assignment and Security Agreement (Trademarks) dated as of January 16, 1997 (the "*Collateral Assignment (Trademarks)*"), in favor of GE as security for all of the Obligations (as defined in the GE Loan Agreement).

C. Pursuant to a Sale and Assignment of Notes and Liens dated as of June 30, 1998, GE assigned all of its rights and obligations under the GE Loan Agreement and the other Loan Documents (as defined in the GE Loan Agreement), including all of the security interests and other rights of GE pursuant to the Collateral Assignment (Trademarks), to The Governor and Company

of the Bank of Scotland (the "*Bank of Scotland*") and together with the other lenders from time to time party to the Amended Loan Agreement referred to below, collectively, the "*Lenders*").

D. Pursuant the certain Amended and Restated Loan, Guaranty and Security Agreement dated as of June 30, 1998 (the "*Loan Agreement*"), Oakbay B. V., a corporation organized under the laws of The Kingdom of The Netherlands (the "*Dutch Parent*"), Oakbay, Inc., a Delaware corporation (the "*Parent Guarantor*"), the Borrower and the Bank of Scotland, as Arranger, Facility Agent, Administrative Agent and the sole Lender, amended and restated the GE Loan Agreement (the GE Loan Agreement, as amended by the Loan Agreement being the "*Amended Loan Agreement*") to provide, *inter alia*, for an increase in the amount of credit that may be extended to the Borrower and to add the guaranty of the Parent Guarantor.

E. Pursuant to the Second Amended and Restated Loan, Guaranty and Security Agreement dated as of June 24, 1999 the Borrower, the other Credit Parties, the Lenders, the Administrative Agent, the Arranger and the Facility Agent further amended and restated the Amended Loan Agreement in its entirety to further increase the amount of credit that may be extended to the Borrower to, *inter alia* enable the Borrower to purchase the Assets ( as defined in the Amended Loan Agreement) including certain additional Trademarks.

F. In connection with the Amended Loan Agreement, the Borrower and the Administrative Agent amended the Collateral Assignment (Trademarks) pursuant to the First Amendment to Collateral Assignment and Security Agreement (Trademarks) dated as of June 30, 1998 (the Collateral Assignment (Trademarks) as so amended being the "*Amended Collateral Assignment Trademarks*").

G. It is a condition precedent for the Administrative Agent and the other Lenders to enter into the Amended Loan Agreement for the Borrower to further amend the Amended Collateral Assignment (Trademarks) as provided herein. Accordingly, the Borrower and the Administrative Agent agree as follows:

## ARTICLE I

### Definitions; Interpretation

SECTION 1.01. Definitions. All capitalized terms defined in the Amended Loan Agreement and not otherwise defined herein shall have the same meanings herein as in the Amended Loan Agreement.

SECTION 1.02. Interpretation. (a) In this Amendment, unless a clear contrary intention appears:

- (i) the singular number includes the plural number and *vice versa*;
- (ii) reference to any gender includes each other gender;
- (iii) the words "*herein*," "*hereof*" and "*hereunder*" and other words of similar import refer to this Amendment as a whole and not to any particular Article, Section or other subdivision;
- (iv) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Amendment, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually, *provided* that nothing in this clause (iv) is intended to authorize any assignment not otherwise permitted by this Amendment;

(v) except as expressly provided to the contrary herein, reference to any agreement, document or instrument (including this Amendment) means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof, and reference to any Note or other note includes any note issued pursuant hereto in extension or renewal thereof and in substitution or replacement thereof;

(vi) unless the context indicates otherwise, reference to any Article or Section means such Article or Section hereof;

(vii) the word "*including*" (and with correlative meaning "*include*") means including, without limiting the generality of any description preceding such term;

(viii) with respect to the determination of any period of time, except as expressly provided to the contrary, the word "*from*" means "*from and including*" and the word "*to*" means "*to but excluding*"; and

(ix) reference to any law, rule or regulation means such as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

(b) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(c) No provision of this Amendment shall be interpreted or construed against any Person solely because that Person or its legal representative drafted such provision.

## SECTION 2. Amendments to Collateral Assignment (Trademarks).

(a) All defined terms not otherwise defined in the Amended Collateral Assignment (Trademarks) shall have the meanings set forth in the Amended Loan Agreement.

(b) Schedule I of the Amended Collateral Assignment (Trademarks) is hereby amended and restated to read as set forth on Schedule I to this Amendment.

SECTION 3. Conditions to Effectiveness. This Amendment shall become effective when, and only when, the following conditions have been fulfilled:

(a) the Borrower shall have executed a counterpart of this Amendment; and

(b) the Administrative Agent shall have executed a counterpart of this

Amendment and received counterparts of this Amendment executed by the Borrower.

SECTION 4. Reference to the Amended Collateral Assignment (Trademarks). (a)

Upon the effectiveness of this Amendment, each reference in the Amended Collateral Assignment (Trademarks) to "*this Agreement*," "*hereunder*," "*herein*" or words of like import shall mean and be a reference to the Collateral Assignment (Trademarks) as amended and affected hereby.

(b) Upon the effectiveness of this Amendment, each reference in the Amended Loan Agreement and the other Loan Documents to "*the Collateral Assignment and Security Agreement (Trademarks)*" shall mean and be a reference to the Amended Collateral Assignment (Trademarks), as amended and affected hereby.

(c) Upon the effectiveness of this Amendment, each reference in the Amended Collateral Assignment (Trademarks) to Schedule I shall mean and be a reference to Schedule I to this Amendment.

(d) The Borrower acknowledges and ratifies the Amended Collateral Assignment (Trademarks) as amended hereby, and agrees and acknowledges that all the terms thereof as amended hereby (i) are hereby brought forward for the benefit of the Administrative Agent and the Lenders and (ii) shall remain in full force and effect.

(e) In the event of any conflict or inconsistency between the provisions of the Amended Loan Agreement and the provisions of the Amended Collateral Assignment (Trademarks) as amended hereby, the provisions of the Amended Loan Agreement, as amended and affected hereby, shall control.

SECTION 5. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS AND APPLICABLE FEDERAL LAW AND SHALL BE BINDING UPON THE BORROWER, THE LENDERS AND THE ADMINISTRATIVE AGENT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

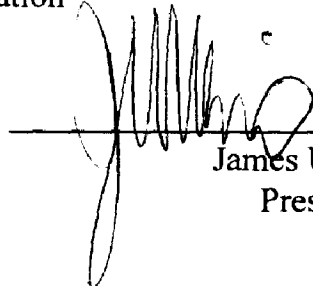
SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be an original and all of which taken together shall constitute one and the same agreement.

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.

Borrower:

VAREL INTERNATIONAL, INC., a Delaware corporation

By:


  
\_\_\_\_\_  
James U. Nixon  
President



Administrative Agent:

**THE GOVERNOR AND COMPANY OF THE  
BANK OF SCOTLAND, as Administrative Agent**

By:

  
Name: KENDAL MILNE  
Title: DIRECTOR OF STRUCTURED FINANCE

SCHEDULE I

REGISTERED U.S. TRADEMARKS

<u>REGISTRATION NO.</u>	<u>DATE</u>	<u>MARK</u>	<u>COUNTRY</u>
1,511,551	11/08/88	Varel	U.S.
1,540,144	05/23/89	Walker McDonald	U.S.

PENDING U.S. TRADEMARK APPLICATIONS

<u>SERIAL NO.</u>	<u>FILING DATE</u>	<u>MARK</u>
	None	

SCHEDULE I

REGISTERED U.S. TRADEMARKS

<u>REGISTRATION NO.</u>	<u>DATE</u>	<u>MARK</u>	<u>COUNTRY</u>
1,511,551	11/08/88	Varel	U.S.
1,540,144	05/23/89	Walker McDonald	U.S.

PENDING U.S. TRADEMARK APPLICATIONS

<u>SERIAL NO.</u>	<u>FILING DATE</u>	<u>MARK</u>
	None	