

06-20-2003

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): See Attached

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

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other Amendment

Execution Date: 10/31/02

2. Name and address of receiving party(ies)

Name: See Attached

Internal Address:

Address:

Street Address:

City: State: Zip:

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other foreign corporation

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 registration number(s):

A. Trademark Application No.(s) 76/264,105 76/264,104 76/297,329 76/297,328

B. Trademark Registration No.(s)

1,511,551 1,540,144

Additional number(s) attached Yes No

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

Name: Corporation Service Company

Internal Address: Attn: Amy Lee Brady

Street Address: 80 State Street, 6th Floor

City: Albany State: NY Zip: 12207

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41): \$105.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

TRADEMARK FEE PROCESS RECEIVED 2003 JUN -6 P 2:59 U.S. PATENT & TRADEMARK OFFICE

DO NOT USE THIS SPACE

9. Signature.

Amy Lee Brady Name of Person Signing

Amy L Brady Signature

6/3/2003 Date

Total number of pages including cover sheet, attachments, and document: 10

06/19/2003 ECOMPER 00000161 76264105

01 FC:8521 02 FC:8522

40.00 OP 125.00 OP

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

TRADEMARK REEL: 002759 FRAME: 0363

1. Name of Conveying Party:

**Varel International, Ltd.** (formerly known as  
Varel International, Inc., formerly known as  
Varel Manufacturing Company), a Texas limited partnership

2. Name of Receiving Party:

**The Governor and Company of the  
Bank of Scotland**  
P. O. Box 12, Uberior House  
61 Grassmarket  
Edinburgh EH1 2JF Scotland  
Attention: Structured Finance – Syndications

3. Domestic Representative

**Andrews & Kurth L.L.P.**  
600 Travis, Suite 4200  
Houston, Texas 77002  
Attn: Sharon G. Ward

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

THIS FOURTH AMENDMENT TO COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (TRADEMARKS) (this "Amendment"), dated as of October 31, 2002, is between Varel International, Ltd., (formerly known as Varel Acquisition, Ltd. and successor by merger to Varel International, Inc., a Delaware corporation, formerly known as Varel Manufacturing Company), a Texas limited partnership (the "Borrower"), and The Governor and Company of the Bank of Scotland, incorporated by an act of parliament in Scotland, as the 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 (the "Original Lender"), are parties to a Loan and Security Agreement dated as of January 16, 1997 (said Loan and Security Agreement, as amended through June 30, 1998, the "Original Loan Agreement").

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

C. Pursuant to a Sale and Assignment of Notes and Liens dated as of June 30, 1998, the Original Lender assigned all of its rights and obligations under the Original Loan Agreement and the other Loan Documents (as defined in the Original Loan Agreement), including all of the security interests and other rights of the Original Lender pursuant to the Original 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 Fourth Amended and Restated Loan Agreement referred to below, collectively, the "Lenders").

D. The Borrower, the Administrative Agent, the lenders and the other parties thereto amended and restated the Original Loan Agreement in its entirety pursuant to an Amended and Restated Loan, Guaranty and Security Agreement dated as of June 30, 1998 (the Original Loan Agreement, as so amended and restated, the "First Amended and Restated Loan Agreement"), and in connection with the First Amended and Restated Loan Agreement the Borrower and the Administrative Agent amended the Original Collateral Assignment (Trademarks) pursuant to a First Amendment to Collateral Assignment and Security Agreement (Trademarks) dated as of June 30, 1998 (the Original Collateral Assignment (Trademarks), as so amended, the "First Amended Collateral Assignment (Trademarks)").

E. The Borrower, the Administrative Agent, the lenders and the other parties thereto further amended and restated the First Amended and Restated Loan Agreement in its entirety pursuant to a Second Amended and Restated Loan, Guaranty and Security Agreement dated as of June 24, 1999 (the First Amended and Restated Loan Agreement, as so amended and

restated, the “Second Amended and Restated Loan Agreement”), and in connection with the Second Amended and Restated Loan Agreement the Borrower and the Administrative Agent amended the First Amended Collateral Assignment (Trademarks) pursuant to a Second Amendment to Collateral Assignment and Security Agreement (Trademarks) dated as of June 24, 1999 (the First Amended Collateral Assignment (Trademarks), as so amended, the “Second Amended Collateral Assignment (Trademarks)”).

F. The Borrower, the Administrative Agent, the lenders and the other parties further amended and restated the Second Amended and Restated Loan Agreement in its entirety pursuant to a Third Amended and Restated Loan, Guaranty and Security Agreement dated as of November 5, 2001, to be effective as of December 31, 2000, to, *inter alia*, reflect that the Borrower’s organizational structure has changed from a corporation to a limited partnership, to add the Borrower’s general partner as a party, and to make certain other revisions to the terms thereof (the Second Amended and Restated Loan Agreement, as so amended and restated, the “Third Amended and Restated Loan Agreement”), and in connection with the Third Amended and Restated Loan Agreement, Borrower and the Administrative Agent amended the Second Amended Collateral Assignment (Patents) pursuant to a Third Amendment to Collateral Assignment and Security Agreement (Patents) dated as of November 5, 2001 (the “Second Amended Collateral Assignment (Patents)”), as so amended, the “Collateral Assignment (Trademarks)”).

G. The Borrower, the Administrative Agent, the lenders and the other parties thereto further amended and restated the Third Amended and Restated Loan Agreement pursuant to a Fourth Amended and Restated Loan, Guaranty and Security Agreement dated as of October 31, 2002 (the Third Amended and Restated Loan Agreement, as so amended and restated, the “Fourth Amended and Restated Loan Agreement”).

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

ARTICLE I  
Definitions; Interpretation

SECTION 1.02. Definitions. All capitalized terms defined in the Fourth Amended and Restated Loan Agreement and not otherwise defined herein shall have the same meanings herein as in the Fourth Amended and Restated Loan Agreement.

SECTION 1.03. 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 therefor;

(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 Collateral Assignment (Trademarks) shall have the meanings set forth in the Fourth Amended and Restated Loan Agreement.

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

SECTION 3. Reference to the Collateral Assignment (Trademarks). (a) Upon the execution of this Amendment, each reference in the 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 execution of this Amendment, each reference in the Fourth Amended and Restated Loan Agreement and the other Loan Documents to "*the Collateral Assignment and Security Agreement (Trademarks)*" shall mean and be a reference to the Collateral Assignment (Trademarks), as amended and affected hereby.

(c) Upon the execution of this Amendment, each reference in the 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 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 Fourth Amended and Restated Loan Agreement and the provisions of the Collateral Assignment (Trademarks) as amended hereby, the provisions of the Fourth Amended and Restated Loan Agreement, as amended and affected hereby, shall control.

SECTION 4. 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 5. 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.

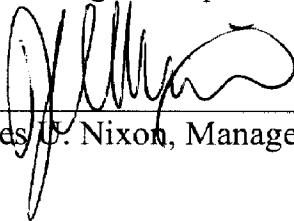
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

Borrower:

**VAREL INTERNATIONAL, LTD.**, a Texas limited partnership

By: Varel GP LLC, a Texas limited liability company, its sole general partner

By:

  
\_\_\_\_\_

James D. Nixon, Manager

Administrative Agent:

**THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND**, incorporated by an act of parliament in Scotland, as Administrative 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.

Borrower:

**VAREL INTERNATIONAL, LTD.**, a Texas limited partnership

By: Varel GP LLC, a Texas limited liability company, its sole general partner

By: \_\_\_\_\_  
James U. Nixon, Manager

Administrative Agent:

**THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND**, incorporated by an act of parliament in Scotland, as Administrative Agent

By: Euan A E Leask  
Name: EUAN A E LEASK  
Title: ASSOCIATE DIRECTOR



**SCHEDULE I**

<u>TRADEMARKS</u>	<u>MARK</u>	<u>COUNTRY</u>	<u>SERIAL/REG #</u>	<u>FILING/GRANT DATE</u>	<u>STATUS</u>
	VAREL	USA	1,511,551	11/08/88	Renewal date: 11/08/2008
	VAREL	Italy	844,259	04/24/01	Renewal date: 08/16/2008
	VAREL	United Kingdom	1,355,096	08/16/88	Renewal date: Abandoned
	VAREL	Mexico	364,265	07/07/93	Renewal date: 08/17/2003
	VAREL	France	1,480,288	07/27/88	Renewal date: 07/27/2008
	VAREL	Argentina	1,479,029	10/29/93	Renewal date: 10/29/2003
	VAREL	Venezuela	F-169,729	10/07/94	Renewal date: 10/07/2004
	Walker MacDonald	USA	1,540,144	05/23/89	Published 05/23/1989
	CHALLENGER	USA	76/264,105	05/29/2001	Pending
	SPIDER	USA	76/264,104	05/29/2001	Pending
	VENTED CONES	USA	76/297,329	08/07/2001	Pending
	RIDGEBACK	USA	76/297,328	08/07/2001	Pending