

11-20-1998

FORM PTO-1594
(Rev 5-93)

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



11-20-98

100904580

al documents or copy thereof.

MRD 11-20-98

1. Name of conveying party(ies):

BIANCHI INTERNATIONAL

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State:

Other:

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

3. Nature of Conveyance:

[] Assignment

[] Merger

[X] Security Agreement

[] Change of Name

[] Other

Execution Date: **January 4, 1994**

2. Name and address of receiving party(ies):

Name: COMERICA BANK-CALIFORNIA

Address: 1920 Main Street

City: Irvine State: CA Zip: 92714

Individual(s) citizenship:

Association:

General Partnership:

Limited Partnership:

Corporation - State:

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)

Additional name(s) & address(es) attached? [] Yes [x] No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,040,430 1,706,774

2,001,604 1,503,019

1,836,788 1,308,023

1,134,438

Additional numbers attached? [] Yes [X] No

Assignment Div.

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

Name: Erin O'Brien

Internal Address: **GRAY CARY WARE & FREIDENRICH**

400 Hamilton Avenue

Palo Alto, California 94301

6 Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41) \$ 190.00

[] Enclosed

[X] Authorized to be charged to deposit account

8. Deposit account number: 07-1907

(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.

Erin O'Brien

Name of Person Signing

Erin O'Brien

Signature

November 19, 1998

Date

Total number of pages comprising cover sheet: [9]

Mail Documents to be recorded with required cover sheet information to:
U.S. Patent and Trademark Office, Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

11/23/1998 SSMITH 0000098 071907 2040430

40.00 CH
150.00 CH

FC:441
FC:442

TRADEMARK

REEL: 1816 FRAME: 0209

**SECURITY AGREEMENT
(Patents and Trademarks)**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, **BIANCHI INTERNATIONAL**, a corporation organized and existing under the laws of the State of California (hereinafter called the "Debtor") having its principal offices and chief place of business at 100 Calle Cortez, Temecula, California 92590 for value received, hereby grants unto **COMERICA BANK - CALIFORNIA**, a California banking corporation (hereinafter called the "Bank") having an office at 1920 Main Street, Suite 1250, Irvine, California 92714, a security interest in the following items (the "Collateral") and in the proceeds of Collateral:

- (a) the United States trademarks and service marks, and registrations therefor, of the Borrower or in which the Borrower has an interest by license or otherwise pursuant to agreements with third parties as more particularly described in Annex I to this Agreement;
- (b) all registration of such trademarks in any State of the United States and any foreign countries or localities;
- (c) all common law trademarks owned by or licensed to the Borrower;
- (d) all trade names owned by the Borrower or in which the Borrower has an interest by license or otherwise pursuant to agreements with third parties as more particularly described in Annex II to this Agreement;
- (e) all elements of package or trade dress of goods owned by the Borrower;
- (f) the good will of the Borrower's business connected with and symbolized by such trademarks, trade names and package or trade dress;
- (g) all patents and patent applications of the Borrower or in which the Borrower has an interest by license or otherwise pursuant to agreements with third parties as more particularly described in Annex III to this Agreement;
- (h) all patents, secret or other formulae, trade secret or other processes, compounds, know-how and methods relating to the manufacture of Borrower's Inventory under or in connection with such trademarks, trade names and package or trade dress;
- (i) all other Intellectual Property; and
- (j) the proceeds of all of the foregoing.

REEL 6856 FRAME 286

Provided, however, that nothing herein contained shall relieve the Debtor from the performance of any covenant, agreement or obligation on the Debtor's part to be performed under any license agreement presently in effect or hereafter entered into by the Debtor licensing the use of the Collateral or any part thereof or from any liability to any licensee under any such license agreement or other party or impose any liability on the Bank for the acts or omissions of the Debtor in connection with any such license or license agreement.

1. Definitions. Except as otherwise defined herein, capitalized terms used herein shall be as defined in that certain Revolving Credit Loan and Security Agreement between Debtor and the Bank dated as of the date hereof (the "Credit Agreement").

2. Indebtedness Secured; Etc. This Agreement and the rights and interests granted herein secures the Debtor's Indebtedness to the Bank and is being delivered to the Bank pursuant to Section 4.1(d) of the Credit Agreement. This Agreement shall continue in full force and effect until all of the Indebtedness shall have been paid in full and the Credit Agreement or any of its provisions shall have no further force or effect. The Debtor hereby represents and warrants that listed on Annex I hereto is a complete and accurate list of the items of Collateral, any registration number therefor, the names and addresses of each party to whom or from whom, any part of the Collateral has been licensed, the date of the applicable license agreement with such party, the term thereof and the royalty or royalties paid or payable thereunder; and Debtor further agrees that it will not grant any other license in respect of any of the Collateral without the prior written consent of the Bank.

3. Representation and Warranties. The Debtor hereby represents and warrants that, except for the security interest granted to the Bank hereby, the Debtor is the owner of all Collateral, free and clear of all liens, charges, encumbrances, setoffs, defenses and counterclaims of whatsoever kind or nature except for Permitted Liens or except as indicated in Annex I, II or III; there has been due registration in the United States Patent and Trademark Office with respect to all trademarks, service marks and patents which are part of the Collateral except as indicated in Annex I, II or III; Debtor has not made and will make no assignment, pledge, mortgage, hypothecation or transfer of any Collateral or of the proceeds thereof; that the execution and delivery of this instrument will not conflict with or contravene any contractual restriction binding on the Debtor, including any license agreement relating to the Collateral or any part thereof; that, except as heretofore disclosed to the Bank in writing, there are no legal actions or administration proceedings pending or threatened before any court or administrative agency involving the Collateral, or any part thereof; and that the Debtor will defend its right, title or interest in and to the Collateral against the claims of all persons whomsoever.

4. Use and Ownership Prior to Default. Unless and until an Event of Default shall occur and be continuing, the Debtor shall retain the legal and equitable title to the Collateral, and shall have the right to use the Collateral in the ordinary course of its business, but shall not be permitted to sell, assign, transfer or otherwise encumber the Collateral or any part thereof; provided, however, that nothing herein contained shall prohibit Debtor from failing to renew or otherwise abandoning any item included within the Collateral

REEL 6 8 5 6
FRAME 2 8 7

if, in Debtor's good faith judgment, the retention of such item is not material to the proper conduct of Debtor's business, except that the Debtor shall not permit the expiration of any patents or registrations of trademarks in the United States Patent and Trademark Office without the prior written consent of the Bank which consent shall not be unreasonably withheld.

5. Remedies on Default. Upon the occurrence of an Event of Default and the acceleration of the Indebtedness, the Bank shall be entitled to exercise in respect to the Collateral all of the rights and remedies available to a secured party upon default under the Uniform Commercial Code in California at the time, and, in addition thereto, the rights and remedies provided for herein and such other rights and remedies as might be provided for by law. In the event of sale of the Collateral, or any part thereof, the Bank shall give the Debtor reasonable notice of the time and place of any public sale or other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice of the sale or other intended disposition is mailed, by first class mail, postage prepaid, to the Debtor at its address set forth in the Credit Agreement, at least ten (10) days prior to the time of such sale or other intended disposition. If the Debtor shall fail to do any act or thing which it has covenanted to do hereunder or any representation or warranty of the Debtor shall be breached, the Bank may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach and there shall be added to the liability of the Debtor hereunder the cost or expense incurred by the Bank in so doing, and any and all amounts expended by the Bank in taking any such action shall be repayable to it upon its demand to the Debtor thereof and shall bear interest at the same rate which would apply to such amounts if they were Indebtedness under the Credit Agreement, from and including the date advanced to the date of repayment. Debtor will, in the event of such sale, duly execute and acknowledge all documents necessary or advisable to record title to the Collateral in the name of the purchaser, including valid, recordable assignments of any or all patent and trademark registrations which form part of the Collateral. In the event that Debtor should then fail or refuse to execute and deliver any or all documents necessary or advisable to record title to the Collateral in the name of the purchaser, Debtor does hereby appoint the Bank its Attorney-in Fact to execute any or all of such documents on Debtor's behalf, which appointment is deemed to be coupled with an interest and shall be irrevocable.

6. Application of Proceeds. All proceeds of Collateral shall be applied as follows:

First: To the payment of all expenses incurred by the Bank in connection with such sale, including but not limited to, the expenses of advertising the Collateral to be sold, all court costs and the reasonable fees of counsel to the Bank in connection therewith, and to the repayment of all advances made by the Bank hereunder for the account of the Debtor and the payment of all costs and expenses paid or incurred by the Bank in connection with this Agreement or the exercise of any right or remedy hereunder, to the extent that such advances, costs and expenses shall not theretofore have been reimbursed to the Bank; and

Second: To the payment in full of the Indebtedness, any surplus to be paid to the Debtor, its successors or assigns, or as a court of competent jurisdiction may direct.

REEL 6 8 5 6
FRAME 2 8 8

7. Purchasers of Collateral. Upon any sale of Collateral by the Bank hereunder (whether under power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Bank or the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Bank or such officer or be answerable in any way for the misapplication or nonapplication thereof.

8. Indemnity. The Debtor agrees to indemnify and hold harmless the Bank from and against any and all claims, demands, losses, judgments and liabilities (including liabilities for penalties) of whatsoever kind or nature, and to reimburse the Bank for all costs and expenses, including attorney's fees, growing out of or resulting from this Agreement, other than to account for monies actually received by it in accordance with the terms hereof.

9. Further Assurances. The Debtor agrees that it will join with the Bank in executing and, at its own expense, file and refile under the Uniform Commercial Code such financing statements, continuation statements and other documents in such offices as the Bank may deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Bank's security interest in the Collateral, and hereby authorizes the Bank to file financing statements and amendments thereto relative to all or any part of the Collateral without the signature of the Debtor where permitted by law, and agrees to do such further acts and things and execute and deliver to the Bank such additional conveyances, assignments, agreements and instruments as the Bank may require or deem advisable to carry into effect the purpose of this Agreement or to better assure and confirm unto the Bank its rights, powers and remedies hereunder.

10. Termination. This Agreement, and the security interest of the Bank hereunder, shall terminate when all Indebtedness shall have been paid in full and the Credit Agreement or any of its provisions shall no longer be of any force or affect, at which time the Bank shall release to the Debtor the Bank's security interest in the Collateral and, if requested by the Debtor, shall execute and file in each office in which any financing statement or assignment relative to the Collateral, or any part thereof, shall have been filed, a termination statement, assignment or other appropriate instrument releasing the Bank's interest therein, all without recourse upon warranty by the Bank and at the cost and expense of the Debtor.

11. Credit Agreement Controls: This Agreement is delivered pursuant to Credit Agreement. Borrower and the Bank agree that in the event of any inconsistency between the provisions of this Security Agreement and the Credit Agreement, the provisions of the Credit Agreement shall control.

REEL 6 8 5 6 FRAME 2 8 9

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized officers this 4th day of January, 1994.

BIANCHI INTERNATIONAL

By: *Gayle French*

Its: *President*

COMERICA BANK-CALIFORNIA

By: *R.A. Samsbury*

Its: *Vice President*

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On January 3rd, 1994, before me, a Notary Public in and for said State, personally appeared *Gayle W. French*, personally known to me or proved on the basis of satisfactory evidence to be the person who executed the within instrument as the authorized signatory of Bianchi International and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.



Brigette Scoggins
Notary Public in and for said State

REEL 856 FRAME 290

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On January 3rd, 1994, before me, a Notary Public in and for said State, personally appeared *Rick Samsbury*, personally known to me or proved on the basis of satisfactory evidence to be the person who executed the within instrument as the authorized signatory of Comerica Bank-California and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.



Brigette Scoggins
Notary Public in and for said State

EXHIBIT A

List of Copyrights

N/A

EXHIBIT B

List of Patents

PATENT NUMBER

DATE

1)	5,687,891	November 18, 1997
2)	5,632,426	May 27, 1997
3)	5,564,612	October 15, 1996
4)	5,361,955	November 8, 1994
5)	5,351,868	October 4, 1994
6)	5,246,153	September 21, 1993
7)	4,485,948	December 4, 1984
8)	4,485,947	December 4, 1984
9)	D 375,622	November 19, 1996
10)	D 373,242	September 3, 1996

INITIAL HERE

wp

EXHIBIT C
List of Trademarks

<u>TRADEMARK NAME</u>	<u>NUMBER</u>	<u>DATE</u>
1) MIRAGE	#2040430	September 22, 1995
2) CRATER	#2001604	July 28, 1995
3) GREGORY	#1836788	October 31, 1992
4) FLO-FORM	#1706774	September 9, 1991
5) GREGORY	#1503019	January 1, 1983
6) G M P	#1308023	April 1, 1978
7) BIANCHI POLICE MILITARY SPORTSMAN THE WORLD'S LARGEST QUALITY MANUFACTURER OF LEATHER PRODUCTS FOR POLICE- MILITARY-SPORTSMAN LEATHER PRODUCTS FAMOUS AROUND THE WORLD	#1134438	May 7, 1980
8) TUXEDO	#04000070	November 12, 1992
9) PINCH	#02002591	February 27, 1992
10) FLO-FORM	#02001246	January 13, 1992
11) EAGLE	#01009423	January 22, 1990
12) HURRICANE II	#01009899	September 28, 1989
13) CYCLONE II	#01014027	August 23, 1989
14) CONDOR	#00345176	January 11, 1989
15) RANGER	#00143941	February 3, 1984
16) ADJUST-A-STRAP	#00536272	December 15, 1983
17) CHEYENNE	#00003318	July 20, 1992
18) SPECIAL AGENT	#00013055	October 12, 1982
19) PISTOL POCKET	#00063278	October 12, 1982
20) ASKIN'S AVENGER	#00078475	October 12, 1982
21) PROTECTOR	#00135109	October 12, 1982
22) TEXAN	#00220285	October 12, 1982
23) THE WORLD STANDARD BY WHICH ALL GUNLEATHER IS JUDGED	#00390981	October 12, 1982
24) DEFENDER	#00509055	October 12, 1982
25) X15	#08001065	July 20, 1992
26) LADY BROWNE	#00622383	October 12, 1982
27) STEER HIDE GUIDE	#00013230	August 1, 1988
28) HURRICANE	#00346440	August 21, 1979
29) CYCLONE	#00502960	August 21, 1979
30) BIANCHI GUNLEATHER	#00432007	June 12, 1989
31) BIANCHI GUNLEATHER	#00432008	June 12, 1989
32) BIANCHI GUNLEATHER	#00432011	June 12, 1989
33) BIANCHI GUNLEATHER	#00432012	June 12, 1989
34) COBRA GRANDE	#00344108	May 3, 1989
35) COBRA	#00003932	May 3, 1983
36) AUTO-DRAW	#00003388	April 5, 1977
37) PHANTOM	#00421866	April 3, 1987
38) HISTOGRAPH	#00647739	June 30, 1996
39) LIGHTNIN'	#00549938	June 22, 1996
40) SHADOW	#00173831	January 16, 1996

Assignor: BIANCHI INTERNATIONAL
Assignee: COMERICA BANK - CALIFORNIA

Enclosed: Security Agreement; Trademark
Recordation Cover Sheet;

File: 1030642-909600

Date Sent: 11/19/98