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

02-13-2002

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



To the Honorable Commissioner of

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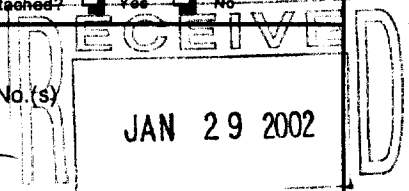
... original documents or copy thereof.

1. Name of conveying party(ies): ROBERTS IRRIGATION PRODUCTS, INC. [] Individual(s) [] Association [] General Partnership [] Limited Partnership [x] Corporation-State [] Other Additional name(s) of conveying party(ies) attached? [] Yes [] No

2. Name and address of receiving party(ies) Name: FIRST NATIONAL BANK Internal Address: LOAN ADMINISTRATION 90-59 Street Address: 401 West A Street City: San Diego State: CA Zip: 92101 [] Individual(s) citizenship [] Association [] General Partnership [] Limited Partnership [] Corporation-State [x] Other National 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

3. Nature of conveyance: [] Assignment [] Merger [] Security Agreement [] Change of Name [x] Other Correct nature of conveyance change from assignment to security interest Execution Date: June 1, 1998

4. Application number(s) or registration number(s): A. Trademark Application No.(s) N/A B. Trademark Registration No.(s) SEE EXHIBIT A Additional number(s) attached [x] Yes [] No



5. Name and address of party to whom correspondence concerning document should be mailed: Name: FIRST NATIONAL BANK Internal Address: Loan Administration 90-59 Street Address: 401 West A Street City: San Diego State: CA Zip: 92101

6. Total number of applications and registrations involved: 5 7. Total fee (37 CFR 3.41).....\$ 140.00 [x] 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. Shonda Harrod Name of Person Signing [Signature] Signature 01-02-02 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 Patent & Trademarks, Box Assignments Washington, D.C. 20231

02/12/2002 TBIAZI 00000083 74276364 01 FC:481 40.00 DP 02 FC:482 100.00 DP

TRADEMARK REEL: 002443 FRAME: 0181

EXHIBIT "A"						
U. S. AND STATE TRADEMARK STATUS REPORT						
APRIL, 1998						
FILE NO	MARK	SERIAL NO. FILE DATE	CLAS S	STATUS	REG. NO. REG. DATE	RENEWAL DUE
0722-TM09	RO-COMP	74/276,364 5/18/92	17	Issued	1,973,169 5/7/96	5/7/06
0722-TM01	SPOT-SPITTER	393,278 5/27/71	11	Issued	925,778 12/21/71	12/21/01
0722-TM02	SPOT-SPINNER	552,719 8/9/85	11	Issued	1,382,208 2/11/86	2/11/06
0722-TM04	ROBERTS	555,489 8/26/85	11, 17	Issued	1,407,586 9/2/86	9/2/06
0722-TM05	RO-DRIP	595,163 4/25/86	17	Issued	1,420,047 12/9/86	12/9/06
0722-TM06CA California	ROBERTS RO-TAPE	N/A	13	Issued	77785 7/10/85	7/10/05
0722-TM07CA California	RO-DRIP	N/A	13	Abandoned - Will rely on U. S. Reg.	81119 4/28/86	

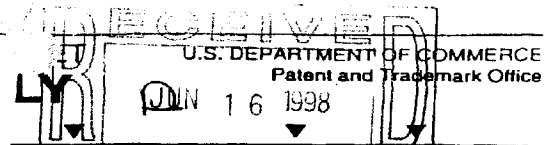
JP
2/10/05



07-15-1998



1.00765350



MPD 6-16-98

To the Honorable Commissioner of Patents and Trademarks

attached original documents or copy thereof.

1. Name of conveying party(ies):

ROBERTS IRRIGATION PRODUCTS, INC.
U.S. Patent & TMO/c/TM Mail Receipt Dt. #61
06-16-1998

- Individual(s)
- General Partnership
- Corporation-State (California)
- 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: JUNE 1, 1998
change of name

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

Name: FIRST NATIONAL BANK
Internal Address: CREDIT SERVICES #51
Street Address: P.O. BOX 85625
City: SAN DIEGO State: CA ZIP: 92101

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other NATIONAL 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 registration number(s):

A. Trademark Application No.(s)

N/A

B. Trademark registration No.(s)

SEE EXHIBIT "A" TO COLLATERAL ASSIGNMENT OF TRADEMARK

Additional numbers attached? Yes No

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

Name: FIRST NATIONAL BANK
Internal Address: CREDIT SERVICES
P.O. BOX 85625
SAN DIEGO, CA 92186-5625
Street Address: 401 WEST "A" STREET
City: SAN DIEGO State: CA ZIP: 92101

6. Total number of applications and registrations involved:

5

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.

CYNTHIA L. HENRIQUE

Name of Person Signing

Signature

JUNE 11, 1998

Date

Total number of pages comprising cover sheet:

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

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02 FC:482
03 FC:998

Public burden reduction for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

TRADEMARK

REEL: 002443 FRAME: 0183

U. S. PATENT AND TRADEMARK OFFICE
OFFICE OF PUBLIC RECORDS

ASSIGNMENT DIVISION

COLLATERAL ASSIGNMENT OF TRADEMARK


WHEREAS, **ROBERTS IRRIGATION PRODUCTS, INC.** ("Assignor"), whose address is **700 Rancheros Drive, San Marcos, California 92069**, has acquired rights in certain marks and names, including, without limitation, Registrations as identified on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, **FIRST NATIONAL BANK** ("Assignee"), whose post office address is P. O. Box 85625, San Diego, California 92186-5625, is desirous of acquiring the above identified property;

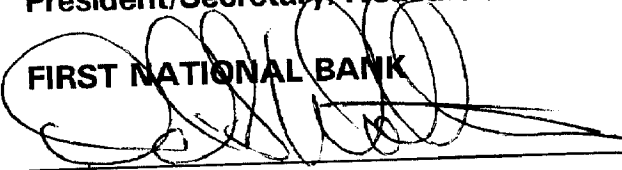
NOW; THEREFORE, in consideration of the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00), the receipt of which whereof is hereby acknowledged, and other goods and valuable consideration, the said Assignor, by these presents, does sell, assign, and transfer unto said Assignee as security for such sum, the entire interest in and to any and all marks and names which may be granted in the United States until payment of all sums owing to Assignee has been completed. Upon full payment, Assignee shall execute a reassignment to Assignor in recordable form in the U. S. Patent and Trademark Office of the rights to the marks and names assigned herein.

Executed this 1st day of June , 1998, at San Diego, California.

ROBERTS IRRIGATION PRODUCTS, INC.

BY: 

John C. Roberts
President/Secretary/Treasurer/Chairman of the Board

BY: 

FIRST NATIONAL BANK
David S. Walters
Vice President



First National Bank

COMMERCIAL SECURITY AGREEMENT

Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069

Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85625 (CS#51)
San Diego, CA 92186-5625

THIS COMMERCIAL SECURITY AGREEMENT is entered into between ROBERTS IRRIGATION PRODUCTS, INC. (referred to below as "Grantor"); and FIRST NATIONAL BANK (referred to below as "Lender"). For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Collateral. The word "Collateral" means the following described property of Grantor, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

All inventory, chattel paper, accounts, equipment and general intangibles, together with the following specifically described property: fixtures, Assignment of all Trademarks, Servicemarks, and Trade Name of Grantor, including without limitation Registration Numbers, registered on and further identified on Exhibit "A" attached hereto and incorporated herein by reference. Assignment of Life Insurance Policy As Collateral on Policy Number 06 0005 1026 Issued by Southland Life Insurance Company in an amount equal to \$2,000,000 for the Life and Health Insurance on the life of John C. Roberts, refer to "Blanket Business Assets Collateral Description" attached hereto and incorporated herein.

In addition, the word "Collateral" includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All attachments, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above.
- (b) All products and produce of any of the property described in this Collateral section.
- (c) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, or other disposition of any of the property described in this Collateral section.
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section.
- (e) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

Grantor. The word "Grantor" means ROBERTS IRRIGATION PRODUCTS, INC., its successors and assigns

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness. As of the date of this Agreement there are no Guarantors.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Grantor, or any one or more of them, to Lender, as well as all claims by Lender against Grantor, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Grantor may be liable individually or jointly with others; whether Grantor may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable. (Initial Here JCR)

Lender. The word "Lender" means FIRST NATIONAL BANK, its successors and assigns

Note. The word "Note" means the Notes or Credit Agreements dated June 1, 1983, in the original amounts of \$500,000, \$1,100,000, \$500,000, and \$400,000 to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the Notes or Credit Agreements.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of Grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding, however, all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. Grantor authorizes Lender to the extent permitted by applicable law, to charge or setoff all Indebtedness against any and all such accounts. in the event of default

OBLIGATIONS OF GRANTOR. Grantor warrants and covenants to Lender as follows:

Perfection of Security Interest. Grantor agrees to execute such financing statements and to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to the documents necessary to perfect or to continue the security interest granted in this Agreement. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. Grantor promptly will notify Lender before any change in Grantor's name including any change to the assumed business names of Grantor. **This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.**

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or theretofore shipped or delivered pursuant to a contract of sale, or for services theretofore performed by Grantor with or for the account debtor; there shall be no setoffs or counterclaims against any such account; and no agreement under which any deductions or discounts may be claimed shall have been made with the account debtor except those disclosed to Lender in writing.

Location of the Collateral. Grantor, upon request of Lender, will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (a) all real property owned or being purchased

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by Grantor; (b) all real property being rented or leased by Grantor; (c) all storage facilities owned, rented, leased, or being used by Grantor; and (d) all other properties where Collateral is or may be located. Except in the ordinary course of its business, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender.

Removal of Collateral. Grantor shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Grantor's address shown above, or at such other locations as are acceptable to Lender. Except in the ordinary course of its business, including the sales of inventory, Grantor shall not remove the Collateral from its existing locations without the prior written consent of Lender. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of California, without the prior written consent of Lender.

Transactions Involving Collateral. Except for ~~inventory, sold or accounts collectible~~ in the ordinary course of Grantor's business, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that it holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Collateral Schedules and Locations. As often as Lender shall require, and insofar as the Collateral consists of accounts and general intangibles, Grantor shall deliver to Lender schedules of such Collateral, including such information as Lender may require, including without limitation names and addresses of account debtors and agings of accounts and general intangibles. Insofar as the Collateral consists of inventory and equipment, Grantor shall deliver to Lender, as often as Lender shall require, such lists, descriptions, and designations of such Collateral as Lender may require to identify the nature, extent, and location of such Collateral. Such information shall be submitted for Grantor and each of its subsidiaries or related companies.

Maintenance and Inspection of Collateral. Grantor shall maintain all tangible Collateral in good condition and repair. Grantor will not commit or permit damage to or destruction of the Collateral or any part of the Collateral. Lender and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Grantor shall immediately notify Lender of all cases involving the return, rejection, repossession, loss or damage of or to any Collateral; of any request for credit or adjustment or of any other dispute arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance With Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for hazardous wastes and substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. In no event shall the insurance be in an amount less than the amount agreed upon in the Agreement to Provide Insurance. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if it so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (f) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral, at Lender's expense unless otherwise provided in default.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession of the Collateral shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. **RADEMARK** **REEL 002448 FRAME: 0186**

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may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

Other Defaults. Failure of Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Agreement, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Grantor's deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, and Lender reasonably believes the prospect of payment or performance of the Indebtedness is impaired.

~~Insolvency / Lender, at its option, deems itself insured.~~

Right to Cure. If any default, other than a Default on Indebtedness, is curable and if Grantor has not been given a prior notice of a breach of the same provision of this Agreement, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such default, (a) cures the default within ten (10) days; or (b) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the California Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days, or such lesser time as required by state law, before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. To the extent permitted by applicable law, Lender shall have the following rights and remedies regarding the appointment of a receiver: (a) Lender may have a receiver appointed as a matter of right, (b) the receiver may be an employee of Lender and may serve without bond, and (c) all fees of the receiver and his or her attorney shall become part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or the Related Documents or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

TRADEMARK

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

REEL: 002443 FRAME: 0187

4 within the preceding 12 months
3 attachment, or levy

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of California. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of San Diego County, the State of California. Lender and Grantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Grantor against the other. (Initial Here) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Notices. All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Grantor will constitute notice to all Grantors. For notice purposes, Grantor will keep Lender informed at all times of Grantor's current address(es).

Power of Attorney. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the Indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

Preference Payments. Any monies Lender pays because of an asserted preference claim in Borrower's bankruptcy will become a part of the Indebtedness and, at Lender's option, shall be payable by Borrower as provided above in the "EXPENDITURES BY LENDER" paragraph.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Waiver of Co-obligor's Rights. If more than one person is obligated for the Indebtedness, Borrower irrevocably waives, disclaims and relinquishes all claims against such other person which Borrower has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

LOAN AGREEMENT. Further, this Commercial Security Agreement is made pursuant to and is subject to a Loan Agreement of even date between Borrower and Lender, the terms and conditions of which are incorporated herein by reference.

PERFECTION OF COLLATERAL. Lender agrees to only perfect collateral interests in U.S. Trademarks, Servicemarks, and Trade Names.

BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION. An exhibit, titled "BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

RIDER TO PERFECTION OF SECURITY INTEREST. An exhibit, titled "RIDER TO PERFECTION OF SECURITY INTEREST," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

RIDER TO MAINTENANCE OF CASUALTY INSURANCE. An exhibit, titled "RIDER TO MAINTENANCE OF CASUALTY INSURANCE," is attached to this Agreement and by this reference is made a part of this Agreement just as if all the provisions, terms and conditions of the Exhibit had been fully set forth in this Agreement.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 1, 1998.

GRANTOR:
ROBERTS IRRIGATION PRODUCTS, INC.

By: John C. Roberts (SEAL)
John C. Roberts, President/Secretary/Treasurer/Chairman of the Board

ATTEST: [Signature]
Secretary or Assistant Secretary

(Corporate Seal)

BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION

Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069

Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85625 (CS#51)
San Diego, CA 92186-5625

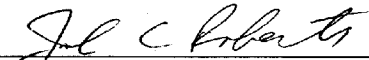
This BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION is attached to and by this reference is made a part of each Security Agreement, Agreement to Provide Insurance and UCC-1 Financing Statement dated June 1, 1998, and executed in connection with a loan or other financial accommodations between FIRST NATIONAL BANK and ROBERTS IRRIGATION PRODUCTS, INC..

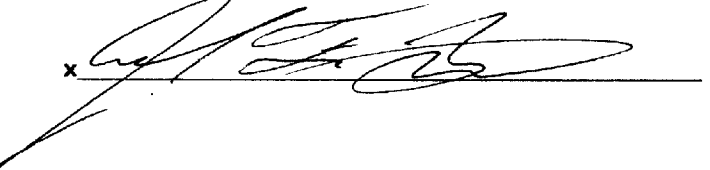
This FINANCING STATEMENT covers the following types or items of property:

All present and future right, title and interest of Debtor/Borrower in and to all inventory, equipment, fixtures, and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) where ever located and including, without limitation, such property now or in the future located at, upon or about, or affixed or attached to or installed in, the real property described as 700 Rancheros Drive, San Marcos, CA 92069 (the "Real Property"), or used or to be used in connection with or otherwise relating to the business of Debtor/Borrower or the Real Property, and all types of tangible personal property of any kind or nature related thereto, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any such property (the "Goods" and together with the Real Property, the "Property"); and

All present and future right, title and interest of Debtor/Borrower in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written materials (in each case whether existing now or in the future), including, without limitation, all such accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents now or in the future relating to otherwise arising in connection with or derived from the business of Debtor/Borrower or the Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the business of Debtor/Borrower, the Real Property, or the Property, including (i) permits, approvals and other governmental authorizations, (ii) improvements plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers and supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) warranties, guarantees, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (v) claims, demands, awards, settlements and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of the Real Property or any of the Property, (vi) any cash collateral account maintained pursuant to any of the Loan Documents, and any amounts deposited by Debtor/Borrower with Secured Party/Lender which are to be held in any such cash collateral account, (vii) leases, rental agreements, license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Debtor/Borrower under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (x) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

THIS BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION IS EXECUTED ON JUNE 1, 1998.

x 

x 

LENDER:

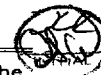
FIRST NATIONAL BANK

By: 
Authorized Officer

RIDER TO PERFECTION OF SECURITY INTEREST

Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069

Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85625 (CS#51)
San Diego, CA 92186-5625



This RIDER TO PERFECTION OF SECURITY INTEREST is attached to and by this reference is made a part of ^{the} ~~each~~ Security Agreement, ~~Business Loan Agreement or Mortgage Pledge Agreement~~ and ~~Related Documents~~, dated June 1, 1998, and executed in connection with a loan or other financial accommodations between FIRST NATIONAL BANK and ROBERTS IRRIGATION PRODUCTS, INC..

Lender will release all Security Agreements and Security Interests when all indebtedness to Lender has been paid in full by Borrower, and no further obligations exist between Borrower and Lender.

In the event of a conflict between this Rider and any provision of any of the Related Documents, this Rider shall control.

THIS RIDER TO PERFECTION OF SECURITY INTEREST IS EXECUTED ON JUNE 1, 1998.

ROBERTS IRRIGATION PRODUCTS, INC.

X-By: John C. Roberts
John C. Roberts, President/Secretary/Treasurer/Chairman of the Board

LENDER:
FIRST NATIONAL BANK

By: [Signature]
Authorized Officer

RIDER TO MAINTENANCE OF CASUALTY INSURANCE


Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069


Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85625 (CS#51)
San Diego, CA 92186-5625

This RIDER TO MAINTENANCE OF CASUALTY INSURANCE is attached to and by this reference is made a part of each Security Agreement and other Related Documents, dated June 1, 1998, and executed in connection with a loan or other financial accommodations between FIRST NATIONAL BANK and ROBERTS IRRIGATION PRODUCTS, INC..

Lender agrees not to require earthquake insurance, environmental risk insurance, Directors/Officers insurance, or Errors and Omissions insurance unless specifically agreed upon in writing between Borrower and Lender.

THIS RIDER TO MAINTENANCE OF CASUALTY INSURANCE IS EXECUTED ON JUNE 1, 1998.
ROBERTS IRRIGATION PRODUCTS, INC.

x 
By: John C. Roberts, President/Secretary/Treasurer/Chairman of the Board

LENDER
FIRST NATIONAL BANK
By: 
Authorized Officer

RIDER TO MAINTENANCE OF CASUALTY INSURANCE


Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069

Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85625 (CS#51)
San Diego, CA 92186-5625

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THIS RIDER TO MAINTENANCE OF CASUALTY INSURANCE IS EXECUTED ON JUNE 1, 1998.
ROBERTS IRRIGATION PRODUCTS, INC.

X 
By: John C. Roberts, President/Secretary/Treasurer/Chairman of the Board

LENDER:
FIRST NATIONAL BANK

By: 
Authorized Officer

BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION

Borrower: ROBERTS IRRIGATION PRODUCTS, INC.
700 RANCHEROS DRIVE
SAN MARCOS, CA 92069

Lender: FIRST NATIONAL BANK
Corporate Banking
P.O. Box 85825 (CS#51)
San Diego, CA 92186-5625

This BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION is attached to and by this reference is made a part of each Security Agreement, Agreement to Provide Insurance and **, dated June 1, 1998, and executed in connection with a loan or other financial accommodations between FIRST NATIONAL BANK and ROBERTS IRRIGATION PRODUCTS, INC..

This FINANCING STATEMENT covers the following types or items of property:

All present and future right, title and interest of Debtor/Borrower in and to all inventory, equipment, fixtures, and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) where ever located and including, without limitation, such property now or in the future located at, upon or about, or affixed or attached to or installed in, the real property described as 700 Rancheros Drive, San Marcos, CA 92069 (the "Real Property"), or used or to be used in connection with or otherwise relating to the business of Debtor/Borrower or the Real Property, and all types of tangible personal property of any kind or nature related thereto, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any such property (the "Goods" and together with the Real Property, the "Property"); and

All present and future right, title and interest of Debtor/Borrower in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written materials (in each case whether existing now or in the future), including, without limitation, all such accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents now or in the future relating to otherwise arising in connection with or derived from the business of Debtor/Borrower or the Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the business of Debtor/Borrower, the Real Property, or the Property, including (i) permits, approvals and other governmental authorizations, (ii) improvements plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers and supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (v) claims, demands, awards, settlements and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of the Real Property or any of the Property, (vi) any cash collateral account maintained pursuant to any of the Loan Documents, and any amounts deposited by Debtor/Borrower with Secured Party/Lender which are to be held in any such cash collateral account, (vii) leases, rental agreements, license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Debtor/Borrower under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (x) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

THIS BLANKET BUSINESS ASSETS COLLATERAL DESCRIPTION IS EXECUTED ON JUNE 1, 1998.

x Jul C Roberts

x [Signature]

LENDER:

FIRST NATIONAL BANK

By: [Signature]
Authorized Officer

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.24 (c) 1998 CFI ProServices, Inc. All rights reserved. [CA-G60 1305921.LN C4.OVL]

**Notice of Insurance Requirements, UCC-1 Financing Statement and Landlord's Consent,

EXHIBIT "A"

U. S. AND STATE TRADEMARK STATUS REPORT

APRIL, 1998

FILE NO.	MARK	SERIAL NO. FILE DATE	CLASS S	STATUS	REG. NO. REG. DATE	RENEWAL DUE
0722-TM09	RO-COMP	747276,364 5/18/92	17	Issued	1,973,169 5/7/98	5/7/08
0722-TM01	SPOT-SPITTER	393,278 5/27/71	11	Issued	925,778 12/21/71	12/21/01
0722-TM02	SPOT-SPINNER	552,719 8/9/85	11	Issued	1,382,208 2/11/88	2/11/08
0722-TM04	ROBERTS	555,489 8/26/85	11, 17	Issued	1,407,588 9/2/88	9/2/08
0722-TM05	RO-DRIP	595,163 4/25/86	17	Issued	1,420,047 12/9/88	12/9/08
0722-TM06CA California	ROBERTS RO-TAPE	N/A	13	Issued	77785 7/10/85	7/10/05
0722-TM07CA California	RO-DRIP	N/A	13	Abandoned - Will rely on U.S. Reg.	81119 4/28/88	

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EXHIBIT "A"

FOREIGN TRADEMARK STATUS REPORT

APRIL, 1998

COUNTRY FILE NO.	MARK	SERIAL NO. FILE DATE	CLASS	STATUS	REG. NO. REG. DATE	RENEWAL DUE
Argentina 0722-TF01	RO-DRIP	1,691,577 5/18/89	17	Issued	1,355,609 8/11/89	8/11/99
Australia 0722-TF01	RO-DRIP	498,340 10/27/88	17	Issued	B498340 10/27/88	10/27/09
Austria 0722-TF01	RO-DRIP	AM 2657/S2 6/2/92	17	Issued	145,936 2/15/93	2/28/03
Benelux Countries 0722-TF01	RO-DRIP	780930 6/1/92	17	Issued	515691 6/1/92	6/1/02
Bolivia 0722-TF01	RO-DRIP	1010 7/20/92	17	Issued	C-57063 9/9/94	9/9/04
Brazil 0722-TF01	RO-DRIP	814,678,424 1/27/89	7	Issued	814,678,424 5/29/90	5/29/2000
Brazil 0722-TF01	RO-DRIP	814,678,408 1/27/89	19	Issued	814,678,408 5/29/90	5/29/2000
Canada 0722-TF01	RO-DRIP	621,691 12/19/88	17	Issued	364,293 1/12/90	1/12/05
Chile 0722-TF01	RO-DRIP	121709 11/11/88	17	Issued	338,254 12/30/88	12/30/98
Colombia 0722-TF01	RO-DRIP	364,133 7/27/92	17	Issued	153,654 2/23/94	2/23/04
Community Trademark	RO-DRIP	73783 3/27/96	17	Pending		
Community Trademark	RO-COMP	73767 3/27/96	17	Pending		
Egypt 0722-TF01	RO-DRIP	83324 6/1/92	17	Issued	83324 6/1/92	Between 5/31/01 and 5/31/2002
France 0722-TF01	RO-DRIP	969,725 11/29/88	17	Issued	1,500,728 11/29/88	11/29/98

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EXHIBIT "A"						
FOREIGN TRADEMARK STATUS REPORT						
APRIL, 1998						
COUNTRY FILE NO.	MARK	SERIAL NO. FILE DATE	CLASS	STATUS	REG. NO. REG. DATE	RENEWAL DUE
Germany 0722-TF01	RO-DRIP	R47332/17 Wz 10/29/88	17	Issued	1,147,877 10/16/89	10/29/98
Guatemala 0722-TF01	RO-DRIP	007052 11/9/92	17	Issued	73937 12/7/94	12/7/04
Honduras 0722-TF01	RO-DRIP	N/A	17	Issued	3917 8/24/93	8/24/03
Hungary 0722-TF01	RO-DRIP	MS203006 6/2/92	17	Issued	136,039 6/28/93	6/2/02
India 0722-TF01	RO-DRIP	501760 12/5/88	17	Pending; status report requested from associate		
Israel 0722-TF01	RO-DRIP	83633 6/3/92	17	Issued	83633 6/3/92	6/3/99
Italy 0722-TF01	RO-DRIP	50030 C/88 12/22/88	17	Issued	552,208 10/24/91	12/22/08
Japan 0722-TF01	RO-DRIP	122678/88 10/31/88	17	Issued	2335293 9/30/91	9/30/01
Korea 0722-TF01	RO-DRIP	89-2652 2/4/89	17	Issued	190689 4/24/90	4/24/00
Mexico 0722-TF01	RO-DRIP	51,497 10/31/88	17	Issued	359541 2/17/89	10/31/03
Peru 0722-TF01	RO-DRIP	207025 8/7/92	17	Issued	100588 11/25/92	11/25/02
Philippines 0722-TF01	RO-DRIP	81742 7/27/92	17	Issued	56917 2/4/94	Affidavits of Use due: 2/4/99; 2/4/04 and 2/4/09; Renewal Due 2/4/14
Portugal 0722-TF01	RO-DRIP	284,021 6/30/92	17	Issued	284,021 2/17/94	Affidavit of Use due 2/17/99 Renewal due 2/17/2004

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EXHIBIT "A"						
FOREIGN TRADEMARK STATUS REPORT						
APRIL, 1998						
COUNTRY FILE NO.	MARK	SERIAL NO. FILE DATE	CLASS	STATUS	REG. NO. REG. DATE	RENEWAL DUE
South Africa 0722-TF01	RO-DRIP	92/4477 6/1/92	17	Issued	92/4477 6/1/92	6/1/02
Spain 0722-TF01	RO-DRIP	1282764 11/7/88	17	Issued	1282764 1/5/90	Taxes due 1/5/00; 1/5/05; 1/5/10; Renewal Due 1/5/10
Taiwan 0722-TF01	RO-DRIP	76-13398 2/30/89	17	Issued	486046 7/1/90	5/31/00
United Kingdom 0722-TF01	RO-DRIP	1,362,114 10/28/88	17	Issued	1,362,114 10/28/88	10/28/05

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