

RF

06-17-2002



COVER SHEET
JULY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of

102124650

the attached original documents or copy thereof.

1. Name of conveying party(ies):
BURLINGAME INDUSTRIES, INC.
3546 N. Riverside Drive
Rialto, Ca 92377 *6-5-02*
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State **California**
 Other _____

2. Name and address of receiving party(ies)
Name: **COMERICA BANK-CALIFORNIA**
Internal Address:
Street Address: **3500 Porsche Way, Suite**
175
City: **Ontario** State: **CA** ZIP: **91764**

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: **June 3, 2002**

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State **California banking**
 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 No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)
Eagle (and design) (Reg. No. 1,631)
Eaglelite (Reg. No. 1,985,582)



06-05-2002

U.S. Patent & TMO/TM Mail Rcpt. Dt. #40

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Mr. Michael Wright
Name: **Buchalter, Nemer, Fields & Younger**
Internal Address: _____

Street Address: **601 South Figueroa Street, 24th Floor**
City: **Los Angeles** State: **California** ZIP: **90017**

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41) \$ 165.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
20-0052
(Attach duplicate copy of this page if paying by deposit account)

06/14/2002 LNUELLER 00000036 200052 1635497

DO NOT USE THIS SPACE

01 FC:481 40.00 CH
02 FC:482 125.00 CH

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.

MR. MICHAEL WRIGHT

Name of Person Signing

Signature

June 4, 2002

Date

Total number of pages including cover sheet, attachments, and document: 6

SCHEDULE A

REGISTERED TRADEMARKS

<u>Trademark</u>	<u>Registration Date</u>	<u>Registration No.</u>
Eagle (and design)	February 19, 1991 Renewed February 19, 2001	1,635,497
Eaglelite	July 9, 1996	1,985,582
Ponderosa	June 13, 2000	2,357,483
Bel Air	July 18, 2000	2,368,460
American Heirloom	March 20, 2001	2,436,284
Malibu	March 27, 2001	2,438,102

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (as may be amended from time to time, this "*Agreement*"), dated as of June 3, 2002, is entered into between BURLINGAME INDUSTRIES, INCORPORATED, a California corporation ("*Borrower*"), and COMERICA BANK-CALIFORNIA, a California banking corporation, in its capacity as contractual representative for itself and the other Lenders ("*Administrative Agent*"), with reference to the following facts:

RECITALS

A. Borrower, Administrative Agent and Lenders are contemporaneously herewith entering into the Loan Agreement (as hereinafter defined), pursuant to which Administrative Agent and Lenders will be extending certain financial accommodations to Borrower.

B. In order to further induce Administrative Agent and Lenders to enter into the Loan Agreement and in consideration thereof, Borrower has agreed to execute and deliver to Administrative Agent, for the ratable benefit of Lenders, this Agreement, securing the payment and performance of the Secured Obligations (as hereinafter defined).

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

AGREEMENT

1. *Definitions and Construction.*

(a) Definitions. All initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement. In addition, the following terms, as used in this Agreement, have the following meanings:

"Code" means the California Uniform Commercial Code, as amended or supplemented from time to time. Any and all terms used in this Security Agreement which are defined in the Code shall be construed and defined in accordance with the meaning and definition ascribed to such terms under the Code, unless otherwise defined herein.

"Collateral" means:

(i) Each of the trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Borrower, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and

proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of Borrower's right, title, and interest, in and to the trademarks and trademark registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iii) All of Borrower's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Borrower or in the name of Administrative Agent for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not Secured Obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(iv) All general intangibles relating to the foregoing; and

(v) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral; *provided, however*, "Collateral" shall not include (i) any Assets of Borrower used solely in connection with the operation of Borrower's "Flying 'B' Ranch" Division, located in the State of Idaho, or (ii) the Capital Stock of Burlingame China or any of the Assets of Burlingame China.

"Event of Default" shall have the meaning set forth in Section 11 herein.

"Loan Agreement" means that certain Revolving Credit and Term Loan Agreement, dated as of even date herewith, among Borrower, Administrative Agent, UBOC, as co-agent, and Lenders, as may be at any time hereafter supplemented, modified, amended or restated.

"Secured Obligations" shall have the meaning of "Obligations" under the Loan Agreement and shall also mean any and all debts, liabilities, obligations, or undertakings owing by Borrower to Administrative Agent or Lenders arising under, advanced pursuant to, or evidenced by this Security Agreement, whether direct or indirect, absolute or contingent, matured or unmatured, due or to become due, voluntary or involuntary, whether now existing or hereafter arising, and including all interest not paid when due and all Administrative Agent Expenses which Borrower is required to pay or reimburse pursuant to this Security Agreement, the Loan Agreement, the other Loan Documents or by law.

(b) *Construction.* Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement. Neither this Agreement nor any uncertainty

or ambiguity herein shall be construed or resolved against Administrative Agent or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Borrower, Administrative Agent, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Administrative Agent and Borrower.

2. *Grant of Security Interest.* Borrower hereby grants to Administrative Agent, for the ratable benefit of Lenders, a first-priority security interest in all of Borrower's right, title, and interest in and to the Collateral to secure the Secured Obligations.

3. *Further Assurances.*

(a) Borrower agrees that from time to time, at the expense of Borrower, Borrower will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, promptly make, execute, acknowledge and deliver, and file and record in the proper filing and recording places (but with respect to foreign patents and trademarks, Borrower shall solely be required to use its best efforts, consistent with reasonable business judgment, to do the same), all instruments and documents, and take all further action, that may be necessary or desirable, or that Administrative Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Borrower will: (i) at the request of Administrative Agent, mark conspicuously each of its records pertaining to the Collateral with a legend, in form and substance satisfactory to Administrative Agent, indicating that such Collateral is subject to the security interest granted hereby; (ii) execute and file such financing or continuation statements, or amendments thereto, and such other instrument or notices, as may be necessary or desirable, or as Administrative Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby; (iii) appear in and defend any action or proceeding that may affect Borrower's title to or Administrative Agent's security interest in the Collateral.

(b) Borrower will furnish to Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Administrative Agent may reasonably request.

4. *Representations, Warranties and Covenants.* Borrower hereby represents and warrants as of the Closing Date and on the date of each and every Borrowing, and covenants that:

(a) a true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Borrower or licensed to Borrower, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on *Schedule A*;

(b) each of the trademarks and trademark registrations is valid and enforceable, and Borrower is not presently aware of any past, present, or prospective claim by any third Person that any of the patents or trademarks are invalid or unenforceable, or that the use

of any of the trademarks violates the rights of any third Person, or of any basis for any such claims;

(c) Borrower is the sole and exclusive owner of, or the exclusive or non-exclusive licensee of, the entire and unencumbered right, title, and interest in and to each of the trademarks and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Borrower not to sue third Persons;

(d) Borrower has used and will continue to use proper statutory notice in connection with its use of each of the trademarks;

(e) Borrower has used and will continue to use consistent standards of high quality (which may be consistent with Borrower's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks, except for such trademarks which are no longer used or useful in the conduct of its business; and

(f) except for the filing of a financing statement with the Secretary of State of California and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required either for the grant by Borrower of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Borrower or for the perfection of or the exercise by Administrative Agent of its rights hereunder to the Collateral in the United States.

5. *After-Acquired Trademark Rights.* If Borrower shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Borrower shall give prompt notice in writing to Administrative Agent with respect to any such new trademarks or renewal or extension of any trademark registration, and shall expeditiously deliver to Administrative Agent an amended Schedule A. Borrower shall bear any expenses incurred in connection with future applications for trademark registration.

6. [Intentionally Omitted.]

7. *Litigation and Proceedings.* Borrower shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Borrower shall provide to Administrative Agent any information with respect thereto requested by Administrative Agent. Administrative Agent shall provide at Borrower's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Borrower's becoming aware thereof, Borrower shall notify Administrative Agent of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding

Borrower's claim of ownership in any of the patents and trademarks, its right to apply for the same, or its right to keep and maintain such patent and trademark rights.

8. *Power of Attorney.* Borrower irrevocably grants Administrative Agent power of attorney, coupled with an interest, having the full authority, and in the place of Borrower and in the name of Borrower, from time to time following an Event of Default in Administrative Agent's discretion, to take any action and to execute any instrument which Administrative Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement:

(a) to endorse Borrower's name on all applications, documents, papers, and instruments necessary for Administrative Agent to use or maintain the Collateral;

(b) to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral;

(c) to file any claims or take any action or institute any proceedings that Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Administrative Agent's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any Person; and

(d) to file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Administrative Agent or Administrative Agent's nominee.

9. *Right to Inspect.* Borrower grants to Administrative Agent and its employees and agents the right to visit Borrower's plants and facilities which manufacture, inspect, or store products sold under any of the patents and trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business.

10. [Intentionally Deleted.]

11. *Events of Default.* An Event of Default as defined in the Loan Agreement shall be an Event of Default hereunder.

12. *Specific Remedies.* Upon the occurrence of any Event of Default, Administrative Agent shall have, in addition to, other rights given by law or in this Agreement, the Loan Agreement, or in any other agreement or document entered into in connection herewith or therewith, all of the rights and remedies with respect to the Collateral of a Administrative Agent under the Code, including the following:

(a) Administrative Agent may notify licensees of the Collateral to make royalty payments on such license agreements directly to Administrative Agent;

(b) Administrative Agent may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Administrative

Agent deems advisable. Borrower shall file any such application, instrument or document as may be required by the United States Patent and Trademark Office in order to transfer the Collateral into the name of the Administrative Agent or Administrative Agent's nominee. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Borrower five (5) days prior to such disposition. Borrower shall be credited with the net proceeds of such sale only when they are actually received by Administrative Agent, and Borrower shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Administrative Agent shall also give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held; and

(c) Administrative Agent may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Secured Obligations as a credit on account of the purchase price of any Collateral payable by Administrative Agent at such sale.

13. *General Provisions.*

13.1 *Effectiveness of This Agreement.* This Agreement shall be binding and deemed effective when executed by Borrower and accepted and executed by Administrative Agent.

13.2 *Cumulative Remedies; No Prior Recourse to Collateral.* The enumeration herein of Administrative Agent's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that the Administrative Agent may have under the Code or other applicable law. Administrative Agent shall have the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative.

13.3 *No Implied Waivers.* No act, failure, or delay by Administrative Agent shall constitute a waiver of any of its rights and remedies. No single or partial waiver by Administrative Agent of any provision of this Agreement or the Loan Agreement, or of a breach or default hereunder or thereunder, or of any right or remedy which the Administrative Agent may have, shall operate as a waiver of any other provision, breach, default, right, or remedy or of the same provision, breach, default, right, or remedy on a future occasion. No waiver by Administrative Agent shall affect its rights to require strict performance of this Agreement.

13.4 *Severability.* If any provision of this Agreement shall be prohibited or invalid, under applicable law, it shall be effective only to such extent, without invalidating the remainder of this Agreement.

13.5 *Survival of Representations and Warranties.* All of Borrower's representations and warranties contained in this Agreement shall survive the execution, delivery, and acceptance thereof by the parties, notwithstanding any investigation by Administrative Agent or its agents.

13.6 *Fees and Expenses.* Borrower shall pay to Administrative Agent on demand all Expenses that the Administrative Agent pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Administrative Agent; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Borrower under this Agreement that Borrower fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Administrative Agent arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement regarding costs and expenses to be paid by Borrower. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of past judgment reasonable attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

13.7 *Notices.* Except as otherwise provided herein, all notices, demands and requests that Borrower or Administrative Agent are required or elect to give to the other shall be sent in accordance with Section 11.1 of the Loan Agreement.

13.8 *Binding Effect; Assignment.* The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto; *provided, however,* that no interest herein may be assigned by Borrower without the prior written consent of Administrative Agent. The rights and benefits of Administrative Agent hereunder shall, if Administrative Agent so agrees, inure to any party acquiring any interest in the Secured Obligations or any part thereof.

13.9 *Modification.* This Agreement is intended by Borrower and Administrative Agent to be the final, complete, and exclusive expression of the agreement between them respecting the subject matter hereof. This Agreement supersedes any and all prior oral or written agreements relating to the subject matter hereof. No modification, rescission, waiver, release, or amendment of any provision of this Agreement shall be made, except by a written agreement signed by Borrower and a duly authorized officer of Administrative Agent.

13.10 *Counterparts.* This Agreement may be executed in any number of counterparts, and by Administrative Agent and Borrower in separate counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

13.11 *Captions.* The captions contained in this Agreement are for convenience only, are without substantive meaning and should not be construed to modify, enlarge, or restrict any provision.

13.12 *Termination By Administrative Agent.* After termination of the Loan Agreement and when Agent has received payment and performance, in full, of all Secured Obligations, Agent shall execute and deliver to Borrower a termination of all of the security interests granted by Borrower hereunder.

14. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD FOR PRINCIPLES OF CONFLICTS OF LAWS.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE ADMINISTRATIVE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. BORROWER AND ADMINISTRATIVE AGENT WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF *FORUM NON CONVENIENS* OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 14.

(c) BORROWER AND ADMINISTRATIVE AGENT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND ADMINISTRATIVE AGENT REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF

**LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN
CONSENT TO A TRIAL BY THE COURT.**


[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

Borrower:

BURLINGAME INDUSTRIES, INCORPORATED

By


Robert C. Burlingame, President, Chief
Executive Officer, and Chairman of the Board

Administrative Agent:

COMERICA BANK - CALIFORNIA

By

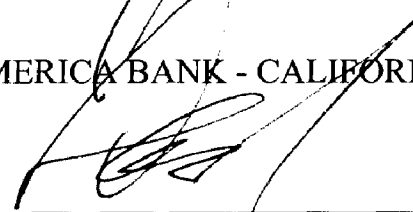

Curt L. McCombs, Senior Vice President

EXHIBIT "A"

DEBTOR: BURLINGAME INDUSTRIES, INCORPORATED

SECURED PARTY: COMERICA BANK-CALIFORNIA, as Administrative Agent

(e) the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets; and

(f) Intellectual Property Collateral shall include, without limitation, rights and interests pursuant to licensing or other contracts in favor of Debtor pertaining to patents, trademarks, copyrights and other intellectual property presently or in the future owned or used by third persons.

"Inventory" means any and all of Debtor's presently existing and hereafter acquired goods (including software embedded in such goods) of every kind and description (including goods in transit) which are held for sale or lease, or to be furnished under a contract of service or which have been so leased or furnished, or other disposition, wherever located, including those held for display or demonstration or out on lease or consignment or are raw materials, work in process, finished materials, or materials used or consumed, or to be used or consumed, in Debtor's business, and the resulting product or mass, and all repossessed, returned, rejected, reclaimed and replevied goods, together with all materials, parts, supplies, packing and shipping materials used or usable in connection with the manufacture, packing, shipping, advertising, selling or furnishing of such goods; and all other items hereafter acquired by Debtor by way of substitution, replacement, return, repossession or otherwise, and all additions and accessions thereto, and any Document representing or relating to any of the foregoing at any time.

"Investment Property" means any and all of Debtor's presently existing and hereafter acquired investment property (including without limitation securities and securities entitlements).

"Letter of Credit Rights" means any and all of Debtor's presently existing and hereafter acquired letter of credit rights.

"Negotiable Collateral" means any and all of Debtor's presently existing and hereafter acquired or arising letters of credit, letter of credit rights, advises of credit, certificates of deposit, notes, drafts, money, Instruments, Documents and tangible Chattel Paper.

"Proceeds" means whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Collateral, including "proceeds" as defined in the Code, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of Debtor from time to time with respect to any of the Collateral, any and all payments (in any form whatsoever) made or due and payable to Debtor from time to



EXHIBIT "A"

DEBTOR: BURLINGAME INDUSTRIES, INCORPORATED

SECURED PARTY: COMERICA BANK-CALIFORNIA, as Administrative Agent

time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority), any and all other amounts from time to time paid or payable under or in connection with any of the Collateral or for or on account of any damage or injury to or conversion of any Collateral by any person, any and all other tangible or intangible property received upon the sale or disposition of Collateral, and all proceeds of proceeds.

"Supporting Obligations" has the meaning given to such term in the Code.

