

02-04-2004



Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
Tab settings ⇨ ⇨ ⇨

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

102662426

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

1. Name of conveying party(ies):
Burrows Golf, Inc. (debtor) **2.2.04**

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

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

2. Name and address of receiving party(ies)
Name: Oasis Corporation (Secured Party)
Internal Address: _____
Street Address: 265 N. Hamilton Road
City: Columbus State: OH Zip: 43213

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Ohio
 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

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

Execution Date: 12/1/2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) see attached

B. Trademark Registration No.(s) see attached

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Scott W. Kelley
Internal Address: _____
Kelly Bauersfeld Lowry & Kelley, LLP
Suite 1650
Street Address: 6320 Canoga Avenue
City: Woodland Hills State: CA Zip: 91367

6. Total number of applications and registrations involved: 79

7. Total fee (37 CFR 3.41).....\$ 1990
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.
Scott W. Kelley
Name of Person Signing

Signature
January 28, 2004
Date

18

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

2004 FEB -2 AM 9:30
OPR/FINANCE

2/03/2004 EDOOPER 00000089 2475995

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

01 FD:9521 40.00 BP
02 FD:9522 1950.00 BP

TRADEMARK
REEL: 002901 FRAME: 0496

	<u>DESCRIPTION</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>SERIAL NO.</u>	<u>FILING DATE</u>
1	YOU'RE AWAY	2,475,995	8/7/2001	75/159,112	9/3/1996
2	BLUE BAYOU	2,433,746	3/6/2001	75/173,178	9/27/1996
3	ROUGHING IT	2,442,925	4/10/2001	75/173,180	9/27/1996
4	SENIORITY	2,482,602	8/28/2001	75/173,292	9/27/1996
5	MAC	2,582,778	6/18/2002	75/693,761	4/29/1999
6	HOT FACE	2,605,475	8/6/2002	76/014,344	3/31/2000
7	FORGE ALLOY	2,714,737	5/6/2003	76/200,329	1/29/2001
8	FORGE MILL			76/200,327	1/29/2001
9	UP IN			78/048,545	2/15/2001
10	LASER SHOT			78/052,186	3/9/2001
11	M.A.C.			78/052,196	3/9/2001
12	RESPECTING GOLF			78/052,924	3/13/2001
13	POWER SPHERE	2,697,869	3/18/2003	78/098,131	12/13/2001
14	TRADITION MATTERS (Intent to Use)			78/101,212	1/7/2002
15	VELOCITY2 (Intent to Use)			76/357,310	1/11/2002
16	VELOCITY3 (Intent to Use)			76/357,309	1/11/2002
17	MAXIMUS (Intent to Use)			78/102,726	1/15/2002
18	HOT SPIN (Intent to Use)			76/366,859	2/4/2002
19	OBSESSED WITH GOLF (Intent to Use)			76/367,710	2/6/2002
20	LASER BLADE (Intent to Use)			76/367,709	2/6/2002
21	EFX			78/108,349	2/12/2002
22	TORQUE CONVERTER			78/108,352	2/12/2002
23	LASER GROOVE (Intent to Use)			78/114,684	3/13/2002
24	GRINDER (Intent to Use)			78/114,681	3/13/2002
25	GOLF PHYSICS SCIENCE (Intent to Use)			78/114,678	3/13/2002
26	TOUR PLAY (Intent to Use)			78/114,675	3/13/2002
27	LASER STEEL (Intent to Use)			78/114,669	3/13/2002
28	GPS (Intent to Use)			78/114,665	3/13/2002
29	HOT FLEX (Intent to Use)			78/114,661	3/13/2002
30	POWER PORT (Intent to Use)			78/114,655	3/13/2002
31	SPHERE (Intent to Use)			78/114,649	3/13/2002
32	EYE SIGHT (Intent to Use)			78/114,828	3/14/2002
33	STABILIZER (Intent to Use)			78/114,830	3/14/2002
34	CEO (Intent to Use)			78/115,637	3/18/2002

	<u>DESCRIPTION</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>SERIAL NO.</u>	<u>FILING DATE</u>
35	SCRATCH PLAY (Intent to Use)			78/115,644	3/18/2002
36	GOLF PHYSICS (Intent to Use)			78/116,555	3/21/2002
37	GOLF SCIENCE (Intent to Use)			78/116,551	3/21/2002
38	SWING PORT (Intent to Use)			78/117,553	3/26/2002
39	PORT (Intent to Use)			78/117,554	3/26/2002
40	PROJECTORY (Intent to Use)			78/122,145	4/16/2002
41	PINPOINT (Intent to Use)			78/122,554	4/18/2002
42	STEELDRIVE (Intent to Use)			78/123,517	4/23/2002
43	STEELER (Intent to Use)			78/124,192	4/25/2002
44	X RAY (Intent to Use)			78/125,287	4/30/2002
45	XR (Intent to Use)			78/125,695	5/2/2002
46	HOTSTEEL (Intent to Use)			78/126,528	5/6/2002
47	IRIDIUM (Intent to Use)			78/126,535	5/6/2002
48	INSIGHT (Intent to Use)			78/129,981	5/20/2002
49	ION (Intent to Use)			78/129,985	5/20/2002
50	OSMIUM (Intent to Use)			78/129,987	5/20/2002
51	10.9 CARRY (Intent to Use)			78/131,825	5/29/2002
52	XM (Intent to Use)			78/142,960	7/11/2002
53	THE WHOLE FACE IS HOT (Intent to Use)			78/147,382	7/25/2002
54	AMPLIFIER			78/153,211	8/12/2002
55	POWER AMPLIFIER			78/153,214	8/12/2002
56	BLUE STEEL			78/153,640	8/13/2002
57	MAGNITUDE AMPLICATION CAVITY (Intent to Use)			78/162,031	9/9/2002
58	BURROWS (Intent to Use)			78/162,635	9/10/2002
59	MAGNITUDE AMPLIFICATION CAVITY Logo (Intent to Use)			78/164,802	9/17/2002
60	TRAJECTORY TIP (Intent to Use)			78/164,964	9/17/2002
61	POWER SOURCE (Intent to Use)			78/164,961	9/17/2002

	<u>DESCRIPTION</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>SERIAL NO.</u>	<u>FILING DATE</u>
62	CLOSER (Intent to Use)			78/164,956	9/17/2002
63	POWERSPHERE Logo (Intent to Use)			78/166,804	9/23/2002
64	M.A.C. GOLF (Stylized) (Intent to Use)			78/166,818	9/23/2002
65	"Bug" Logo			78/166/835	9/23/2002
66	REMARKABLE POWER			78/167,709	9/25/2002
67	REFLECT			78/167,715	9/25/2002
68	SOUND WAVE			78/167,719	9/25/2002
69	ENERGY WAVE			78/167,722	9/25/2002
70	EYE LINE (Intent to Use)			78/167,737	9/25/2002
71	ACOUSTIC (Intent to Use)			78/168,134	9/26/2002
72	GEL GRIP (Intent to Use)			78/174,993	10/16/2002
73	AIRWING (Intent to Use)			78/175,007	10/16/2002
74	FIN (Intent to Use)			78/175,016	10/16/2002
75	COR MAPPED (Intent to Use)			78/175,580	10/17/2002
76	OVERDRIVE (Intent to Use)			78/179,633	10/29/2002
77	TURN IT UP (Intent to Use)			78/186,142	11/18/2002
78	DAMASCUS (Intent to Use)			78/186,319	11/18/2002
79	UNLIKE ANY OTHER (Intent to Use)			78/186,321	11/18/2002

ALL PERSONAL PROPERTY ASSETS SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is made and entered into as of December 1, 2002, by and between Oasis Corporation, an Ohio corporation ("Secured Party"), and Burrows Golf, Inc., a California corporation formerly known as Mac Golf International, Inc. ("Debtor"), with reference to the following facts:

A. Secured Party heretofore has engaged in the development of golf clubs that incorporate certain proprietary technology (the "Golf Clubs"). Pursuant to a Purchase Agreement of even date herewith between Secured Party and Debtor (the "Purchase Agreement"), Debtor has purchased all of the property, tangible and intangible, of Secured Party pertaining to the Golf Clubs and the development activities and other operations of Secured Party with respect thereto (the "Transferred Assets").

B. In payment of a portion of the purchase price of the Transferred Assets, Debtor has executed and delivered to Secured Party its promissory note in the principal amount of \$2,147,940.53. Said promissory note, including all renewals, extensions, substitutions and modifications thereof, is referred to in this Agreement as the "Note".

C. Debtor wishes to grant a security interest in favor of Secured Party as herein provided. The execution and performance of this Agreement by Debtor are material parts of the consideration for Secured Party's execution and performance of the Purchase Agreement.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Certain Definitions.** All terms defined in the Uniform Commercial Code of the State of California and used herein shall have the same definitions herein as specified therein. In addition, as used herein:

1.1 The term "Event of Default" means the occurrence of any or all of the following:

(a) Debtor shall fail to pay any installment of principal or interest due under the Note or the Second Note (if and when issued) when the same becomes due and payable and such failure is not cured within five days after notice to Debtor from Secured Party; or

(b) Debtor generally shall not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Debtor seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or any substantial part of its properties and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or

other similar official for, it or any substantial part of its properties) shall occur; or Debtor shall take any corporate action to authorize any of the actions set forth above in this paragraph 1.1(b); or

(c) Debtor shall fail to perform or observe any term, covenant, condition or agreement contained in this Agreement, the Note or the Second Note (other than those referred to in paragraphs 1.1(a) or 1.1(b) above) on its part to be performed or observed and such failure is not cured within 30 days after written notice to Debtor from Secured Party; or

(d) Any representation or warranty made by Debtor under or in connection with this Agreement shall prove to have been incorrect in any material respect when made.

1.2 The term "Obligations" means all of the indebtedness, obligations and liabilities of Debtor to Secured Party, individually or collectively, whether direct or indirect, joint or several, absolute or contingent, due or to become due, now existing or hereafter arising, under or in respect of the Note, the Second Note (if and when issued) or this Agreement.

1.3 The term "Permitted Liens" means (a) liens for taxes and other governmental charges and assessments that are not yet due and payable, (b) liens of carriers, warehousemen, mechanics, materialmen and repairmen and other similar liens arising in the ordinary course of business for sums not yet due and payable, (c) liens securing obligations to banks or other institutional lenders providing financing to Debtor, and (d) purchase money security interests securing obligations incurred in connection with the purchase of any assets included in the Collateral.

1.4 The term "Second Note" has the meaning given to it in the Purchase Agreement.

2. **Grant of Security Interest.** Debtor hereby grants to Secured Party, to secure the payment and performance in full of all of the Obligations, a security interest in and to all of the properties, assets and rights of Debtor, whether now owned or hereafter acquired, or in which Debtor now or hereafter has any rights, of the type listed or described on Exhibit A attached hereto and by this reference incorporated herein (the "Collateral"). The security interest herein granted to Secured Party shall attach to the items of Collateral now owned by Debtor, or in which Debtor now has any rights, immediately upon the execution hereof by Debtor, and with respect to items of Collateral in which Debtor presently has no rights, as soon as Debtor acquires rights therein. Notwithstanding anything in this Agreement to the contrary, the Collateral does not include any real property or interests in real property.

3. **Authorization to File Financing Statements.** Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral is as listed on Exhibit A attached thereto or as comprising all assets of Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State of California or such jurisdiction, or as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State of California, or such other jurisdiction, for the sufficiency or filing office

acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organizational identification number issued to Debtor.

4. **Other Actions.** To further the attachment, perfection and, subject to the further provisions of this Agreement, first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in the Collateral, and without limitation on Debtor's other obligations in this Agreement, Debtor agrees, in each case at Debtor's expense, to take the following actions with respect to the following Collateral:

4.1 **Promissory Notes and Tangible Chattel Paper.** If Debtor shall at any time hold or acquire any promissory notes or tangible chattel paper, at Secured Party's request and option, Debtor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify.

4.2 **Investment Property.** If Debtor shall at any time hold or acquire any certificated securities, at Secured Party's request and option, Debtor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify. If any securities now or hereafter acquired by Debtor are uncertificated and are issued to Debtor or its nominee directly by the issuer thereof, Debtor shall immediately notify Secured Party thereof and, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, cause the issuer to agree to comply with instructions from Secured Party as to such securities, without further consent of Debtor or such nominee. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by Debtor, are held by Debtor or its nominee through a securities intermediary, Debtor shall immediately notify Secured Party thereof and, at Secured Party's request and option, pursuant to an agreement in form and substance satisfactory to Secured Party, cause such securities intermediary to agree to comply with entitlement orders or other instructions from Secured Party to such securities intermediary as to such securities or other investment property, without further consent of Debtor or such nominee.

4.3 **Collateral in the Possession of a Bailee.** If any Collateral is at any time in the possession of a bailee (other than Secured Party), Debtor shall promptly notify Secured Party thereof and, at Secured Party's request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to Secured Party, that the bailee holds such Collateral for the benefit of Secured Party, and that such bailee agrees to comply, without further consent of Debtor, with instructions from Secured Party as to such Collateral.

4.4 **Other Actions as to Any and All Collateral.** Debtor further agrees, at the request and option of Secured Party, to take any and all other actions that Secured Party may determine to be necessary or useful for the attachment, perfection and, subject to the further provisions of this Agreement, first priority of, and the ability of Secured Party to enforce, Secured Party's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that Debtor's signature thereon is required therefor, (b) causing Secured Party's name to be noted as secured

party on any certificate of title for a titled good if such notation is a condition to the attachment, perfection or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (c) complying with or making any required filing under any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision or filing thereunder is a condition to the attachment, perfection or priority of, or the ability of Secured Party to enforce, Secured Party's security interest in such Collateral, (d) obtaining governmental and other third party waivers, consents and approvals in form and substance satisfactory to Secured Party, including, without limitation, any consent of any licensor, lessor or other person obligated on Collateral, (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to Secured Party, and (f) taking all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by Secured Party to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

5. **Subordination.** Anything herein to the contrary notwithstanding, Secured Party agrees, at Debtor's request and option, to subordinate Secured Party's security interest in the Collateral to the security interest of any bank or other institutional lender providing financing to Debtor pursuant to a subordination agreement in the form customarily required by such lender and consistent with the terms of the subordination agreement contemplated by Section 6 of the Note.

6. **Service Agreement.** Concurrently with the execution of this Agreement, Secured Party and Debtor have entered into a Service Agreement (the "Service Agreement") pursuant to which Secured Party has agreed to provide certain services to Debtor. In furtherance thereof, Debtor will make available to Secured Party for use at Secured Party's facilities all or a portion of the tangible personal property included in the Collateral. Notwithstanding Debtor's delivery of such Collateral to Secured Party for use in performing services under the Service Agreement, Secured Party acknowledges and agrees that, as between Secured Party and Debtor, Debtor is the owner of all right, title and interest in and to such Collateral, subject only to the security interest created by this Agreement.

7. **Representations and Warranties Concerning Debtor's Legal Status.** Debtor represents and warrants to Secured Party as follows: (a) Debtor's exact legal name is Burrows Golf, Inc., (b) Debtor has not used any corporate or fictitious name (including any trade name, trade style, assumed name, division name or any other name) other than "Mac Golf International" and variations thereof, (c) Debtor is a corporation duly organized and in good standing under the laws of the State of California, (d) the execution, delivery and performance of this Agreement have been duly authorized by all requisite corporate action of Debtor, (e) this Agreement constitutes valid and binding obligations of Debtor in accordance with its terms, and (f) the execution, delivery and performance of this Agreement by Debtor do not require the consent, approval or signature of any other person.

8. **Covenants Concerning Debtor's Legal Status.** Debtor covenants with Secured Party as follows: (a) without providing at least 30 days prior written notice to Secured Party, Debtor will not change its name, place of business (or, if more than one, chief executive office), mailing address or organizational identification number, (b) Debtor will not change its type of organization, jurisdiction of organization or other legal structure, and (c) Debtor shall keep and maintain at all times proper books of record and account in which full and correct entries shall be

made of all financial transactions and the assets and business of Debtor in accordance with generally accepted accounting principles and consistent with prudent business practices.

9. **Representations and Warranties Concerning the Collateral.** Debtor further represents and warrants to Secured Party that Debtor is the owner of the Collateral, free from any right or claim of any person or any adverse lien, security interest or other encumbrance, except for Permitted Liens and the security interest created by this Agreement.

10. **Covenants Concerning the Collateral.** Debtor further covenants with Secured Party as follows: (a) to the extent not located at the premises of Secured Party in accordance with the terms of the Service Agreement, all items of tangible personal property included in the Collateral (except for items temporarily removed for maintenance or repair in the ordinary course of business) shall be kept, for as long as they continue to be owned by Debtor, on Debtor's premises, and Debtor shall not remove such portion of the Collateral from such location(s) without providing at least 30 days prior written notice to Secured Party, (b) except for the security interest herein granted and Permitted Liens, Debtor shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and Debtor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein (other than pursuant to Permitted Liens) adverse to Secured Party, (c) except for Permitted Liens, Debtor shall not create any security interest, lien or encumbrance in the Collateral in favor of any person other than Secured Party, (d) subject to any obligations of Secured Party under the Service Agreement, Debtor shall keep the Collateral in good order and repair, subject to ordinary wear and tear, and shall not use the same in violation of law or any policy of insurance thereon, (e) Debtor shall permit Secured Party, or its designee, to inspect the Collateral at any reasonable time, wherever located, (f) Debtor shall pay promptly when due all taxes, assessments, governmental charges and levies ("Taxes") upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement, provided Debtor shall have the right to contest in good faith by appropriate proceedings any such Taxes and, pending such contest, may delay or defer the payment thereof unless such Taxes are withholding taxes or such contest would result in a receiver taking charge of the assets and business of Debtor, (g) Debtor shall operate its business in all material respects in compliance with all applicable provisions of federal, state and local statutes and ordinances, and (h) Debtor shall not sell or otherwise dispose of the Collateral or any interest therein except for the use and sale thereof in the ordinary course of business.

11. **Insurance.** Debtor shall maintain policies of insurance with respect to the Collateral in such amounts, and against such risks and losses, as are consistent with good business practices and the protection of Secured Party's security interest. All such insurance shall be effected under valid and enforceable policies of insurance issued by insurers reasonably acceptable to Secured Party and shall name Secured Party as joint loss payee. Debtor will cause the insurers to issue and deliver to Secured Party a certificate of insurance evidencing each policy maintained by Debtor hereunder, and each such certificate shall name Secured Party as a joint loss payee. Debtor will use its best efforts to cause each policy of insurance to contain a clause requiring the insurer to give not less than ten days' written notice to Secured Party prior to cancellation or modification of the policy for any reason whatsoever. In the event Debtor receives any proceeds from policies insuring the Collateral against casualty loss, subject to the rights, if any, of other parties with an interest having priority in the property covered thereby, such proceeds shall be applied to repair or replace the assets of Debtor damaged by the casualty (except for assets no longer required for the operation of the business of Debtor) and any

remaining proceeds shall be applied, as directed by Secured Party, in payment of the Obligations; provided, however, if Debtor is then in default hereunder, all such proceeds shall be applied in payment of the Obligations or as otherwise directed by Secured Party.

12. **Collateral Protection Expenses; Preservation of Collateral.** In Secured Party's discretion, if Debtor fails to do so, Secured Party may discharge Taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, make repairs thereto and pay any necessary filing fees or insurance premiums. Debtor agrees to reimburse Secured Party on demand for all expenditures so made. Secured Party shall have no obligation to Debtor to make any such expenditures, nor shall the making thereof be construed as the waiver or cure of any Event of Default.

13. **Securities and Deposits.** Secured Party may at any time during the continuance of an Event of Default, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, Secured Party may, during the continuance of an Event of Default, demand, sue for, collect or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, during the continuance of an Event of Default, any deposits or other sums at any time credited by or due from Secured Party to Debtor may at any time be applied to or set off against any of the Obligations.

14. **Notification to Account Debtors and Other Persons Obligated on Collateral.** If an Event of Default shall have occurred and be continuing, Debtor shall, at the request and option of Secured Party, notify account debtors and other persons obligated on any of the Collateral of the security interest of Secured Party in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to Secured Party or to any financial institution designated by Secured Party as Secured Party's agent therefor, and Secured Party may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon Debtor, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, Debtor shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by Debtor as trustee for Secured Party without commingling the same with other funds of Debtor and shall turn the same over to Secured Party in the identical form received, together with any necessary endorsements or assignments. Secured Party shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by Secured Party to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

15. **Power of Attorney.**

15.1 **Appointment and Powers of Secured Party.** Debtor hereby irrevocably constitutes and appoints Secured Party and any agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Debtor or in Secured Party's own name, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby

gives said attorneys the power and right, on behalf of Debtor, without notice to or assent by Debtor, to do the following:

(a) During the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State of California and as fully and completely as though Secured Party were the absolute owner thereof for all purposes, and to do, at Debtor's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary or useful to protect, preserve or realize upon the Collateral and Secured Party's security interest therein, in order to effect the intent of this Agreement, all at least as fully and effectively as Debtor might do, including, without limitation, (i) the filing and prosecution of registration and transfer applications with the appropriate federal, state, local or other agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to Debtor, the exercise of voting rights with respect to voting securities, which rights may be exercised, if Secured Party so elects, with a view to causing the liquidation of assets of the issuer of any such securities, and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) To the extent that Debtor's authorization given in paragraph 3 is not sufficient, to file such financing statements with respect hereto, with or without Debtor's signature, or a photocopy of this Agreement in substitution for a financing statement, as Secured Party may deem appropriate and to execute in Debtor's name such financing statements and amendments thereto and continuation statements which may require Debtor's signature.

15.2 **Ratification by Debtor.** To the extent permitted by law, Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

16. **Rights and Remedies.** If an Event of Default shall have occurred and be continuing, Secured Party, without any other notice to or demand upon Debtor, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State of California and any additional rights and remedies which may be provided to a secured party in any jurisdiction in which Collateral is located, including, without limitation, the right to take possession of the Collateral, and for that purpose Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. Secured Party may in its discretion require Debtor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of Debtor's principal office(s) or at such other locations as Secured Party may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give to Debtor at least five business days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Debtor hereby acknowledges that five business days prior written notice of such sale or sales shall be reasonable notice. In addition, Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Party's rights and remedies hereunder, including, without

limitation, Secured Party's right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

17. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party (a) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Secured Party, to obtain the services of brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this paragraph 17 is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the Uniform Commercial Code or other law of the State of California or any other relevant jurisdiction in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this paragraph 17. Without limitation of the foregoing, nothing contained in this paragraph 17 shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this paragraph 17.

18. No Duty on Secured Party. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither Secured Party nor any of its employees or agents shall be responsible to Debtor for any act or failure to act, except for Secured Party's own gross negligence or willful misconduct.

19. No Waiver by Secured Party. Secured Party shall not be deemed to have waived any of its rights or remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right or remedy shall operate as a waiver of such right or remedy

or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of Secured Party with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as Secured Party deems expedient.

20. **Suretyship Waivers by Debtor.** Debtor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or, except as otherwise provided in the Service Agreement, protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof. Debtor further waives any and all other suretyship defenses.

21. **Marshalling.** Secured Party shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

22. **Proceeds of Dispositions; Expenses.** Following an Event of Default, Debtor shall pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Secured Party in protecting, preserving or enforcing Secured Party's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of the Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as Secured Party may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State of California, any excess shall be returned to the Debtor. In the absence of final payment and satisfaction in full of all of the Obligations, Debtor shall remain liable for any deficiency.

23. **Overdue Amounts.** Until paid, all amounts due and payable by Debtor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest set forth in the Note.

24. **Release of Security Interest.** When all of the Obligations shall have been fully satisfied and discharged, Secured Party shall release its security interest in and to the Collateral. Secured Party agrees to execute any and all instruments necessary to release its security interest as and when provided herein.

25. **Governing Law; Consent to Jurisdiction.** THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA. Debtor agrees that any action or claim arising out of, or any dispute in connection with, this Agreement, any rights, remedies, obligations or duties hereunder or the performance or enforcement hereof may be brought in the courts of the State of California or any federal court sitting therein, and Debtor consents to the non-exclusive jurisdiction of such courts and to service of process in any such suit being made upon Debtor by mail at the chief executive offices of Debtor. Debtor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

26. **Waiver of Jury Trial.** DEBTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, REMEDIES, OBLIGATIONS OR DUTIES HEREUNDER OR THE PERFORMANCE OR ENFORCEMENT HEREOF. Except as prohibited by law, Debtor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Debtor (a) certifies that neither Secured Party nor any representative, agent or attorney of Secured Party has represented, expressly or otherwise, that Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement, and (b) acknowledges that, in executing the Purchase Agreement and in accepting the Note and this Agreement, Secured Party is relying upon, among other things, the waivers and certifications contained in this paragraph 26.

27. **Miscellaneous.** This Agreement may be modified only by an agreement in writing signed by all the parties hereto. This Agreement constitutes the final agreement of the parties concerning the matters herein and supersedes all prior and contemporaneous agreements and understandings, whether oral or written, between them respecting the subject matter hereof. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Terms used herein in any number or gender include other numbers or genders, as the context may require. The headings of each paragraph of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon Debtor and its successors and assigns and shall inure to the benefit of Secured Party and its successors and assigns. Nothing contained in this Agreement shall be construed as requiring or permitting the commission of any act contrary to law. Wherever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring them within the requirement of the law. In the event that any paragraph or clause of this Agreement shall be held to be indefinite or invalid, the entire Agreement shall not fail on account thereof, and the balance of this Agreement shall continue in full force and effect. Debtor acknowledges receipt of a copy of this Agreement.

28. **Acknowledgment Regarding Counsel.** By signing this Agreement, each of the parties acknowledges and agrees to the following:

(a) Each of the parties may have varying rights and interests under this Agreement, and the rights and interests of the parties may be potentially adverse to one another;

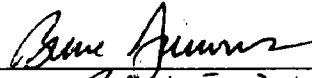
(b) Each of the parties has had the opportunity to obtain the advice of its own independent legal counsel in connection with the preparation of this Agreement; and

(c) Ervin, Cohen & Jessup LLP ("EC&J") has prepared this Agreement in accordance with instructions given to it by the parties.

Based on the foregoing, each of the parties hereby consents to the representation by EC&J of both parties in connection with the preparation of this Agreement and hereby waives any conflict of interest regarding such representation and the representation by EC&J of either of them on any unrelated matters to the fullest permissible extent; provided, however, EC&J will not represent any of the parties in any dispute between themselves.

IN WITNESS WHEREOF, intending to be legally bound, Debtor has caused this Agreement to be duly executed as of the date first above written.

Burrows Golf, Inc.

By: 
Name: BRUCE BURROWS
Title: CEO

ACCEPTED:

Oasis Corporation


By: 
Name: ROMANE GILLILAND
Title: CEO

EXHIBIT A

COLLATERAL DESCRIPTION

All accounts, accounts receivable, contract rights, book debts, notes, drafts, chattel paper and other obligations or indebtedness owing to Debtor arising from the sale, lease or exchange of goods or other property and/or the performance of services; Debtor's rights in, to and under all purchase orders for goods, services or other property; Debtor's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights of stoppage in transit); monies due to or to become due to Debtor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services (whether or not yet earned by performance on the part of Debtor); uncertificated securities; and proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person with respect to any of the foregoing.

All inventory, finished goods, raw materials, work in process and other materials and supplies (including packaging and shipping materials) used or consumed in the manufacture or production of goods; and goods which are returned to or repossessed by Debtor.

All general intangibles, agreements, leases, licenses and contracts to which Debtor is or may become a party; all obligations or indebtedness owing to Debtor (other than accounts) from whatever source arising; all tax refunds; all trade secrets and other confidential information relating to the business of Debtor; and all other information of any kind or character, whether or not reduced to writing, with respect to the conduct by Debtor of its business not generally known by the public.

All copyrights, copyright licenses, rights and interests in copyrights, works that may be protected by copyright, copyright registrations and copyright applications, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof; all renewals of any of the foregoing; all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; the right to sue for past, present and future infringements of any of the foregoing; all rights corresponding to any of the foregoing throughout the world; and all goodwill associated with and symbolized by any of the foregoing.

All patents, patent licenses, patent applications and the inventions and improvements described and claimed therein, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof; the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; all patentable inventions; all income, royalties, damages or payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; the right to sue for past, present and future infringements of any of the foregoing; all rights

corresponding to any of the foregoing throughout the world; and all goodwill associated with any of the foregoing.

All trademarks, trade names, trademark licenses, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, domain names, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof; all reissues, extensions or renewals thereof; all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; the right to sue for past, present and future infringements of any of the foregoing; all rights corresponding to any of the foregoing throughout the world; and all goodwill associated with and symbolized by any of the foregoing.

All documents or other receipts covering, evidencing or representing goods now owned or hereafter acquired by Debtor.

All instruments, chattel paper or letters of credit, including, but not limited to, promissory notes, drafts, bills of exchange and trade acceptances, now owned or hereafter acquired by Debtor.

All goods, equipment, machinery, tools, furniture, motor vehicles, trucks, trailers, vessels, aircraft and rolling stock and all parts thereof; and all additions and accessions thereto and replacements therefor.

All fixtures, plant fixtures, business fixtures, other fixtures and storage facilities, wherever located; and all additions and accessions thereto and replacements therefor.

All investment property, including without limitation, all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts.

All deposit or other accounts of Debtor maintained with any bank or financial institution.

All cash deposited in deposit accounts of Debtor and all monies and property of Debtor in the possession or under the control of Secured Party.

All books, records, ledger cards, files, correspondence, computer programs, tapes, disks and related data processing software that at any time evidence or contain information relating to any of the property described above or are otherwise necessary or helpful in the collection thereof or realization thereon; and any equipment containing any of the foregoing.

All proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, any of the property described above, including, without limitation, all claims of Debtor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance with respect to any of the property

described above, and any condemnation or requisition payments with respect to any of the property described above.

All terms used but not defined herein shall have the same meanings assigned to them in the Uniform Commercial Code.