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PRINT OR TYPE ALL INFORMATION

THE SECURED PARTY DESIRES THIS FINANCING STATEMENT TO BE INDEXED AGAINST THE RECORD OWNER OF THE REAL ESTATE NO (X) YES () NAME OF RECORD OWNER _____

RECORDER FOR DOUGLAS COUNTY, NEVADA

P.O. Box 218, Minden, Nevada 89423

(Uniform Commercial Code Section)

FORM FOR ORIGINAL FINANCING STATEMENT AND SUBSEQUENT STATEMENTS

The Clerk stamps the File Number on the Original Financing Statement. The secured party must place this same number on all subsequent statements.

Index numbers of subsequent statements (For office use only)

Name & mailing address of all debtors, trade styles, etc. No other name will be indexed.

Projection, Inc.
5803 Rolling Road
Springfield, Virginia 22152

Projection National Services, Inc.
5803 Rolling Road
Springfield, Virginia 22152

Projection Video Services, Inc.
5803 Rolling Road
Springfield, Virginia 22152

Projection Video, Inc.
5803 Rolling Road
Springfield, Virginia 22152

Check the box indicating the kind of statement. Check only one box.

- ORIGINAL FINANCING STATEMENT
- CONTINUATION ORIGINAL STILL EFFECTIVE
- AMENDMENT
- ASSIGNMENT
- PARTIAL RELEASE OF COLLATERAL
- TERMINATION

Name & address of Secured Party

First Union National Bank
1970 Chain Bridge Road
McLean, Virginia 22102

Name & address of Assignee

Date of maturity if less than five years

Check if proceeds of collateral are covered (X)

Description of collateral covered by original financing statement is attached hereto as "EXHIBIT A" and incorporated by reference as though fully set forth.

Space to record an amendment, assignment, release of collateral or a statement to cover collateral brought into Nevada from another jurisdiction.

Describe Real Estate if applicable:
n/a

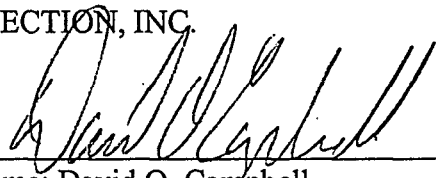
08466

0462567

Signature of Debtor if applicable (Date)

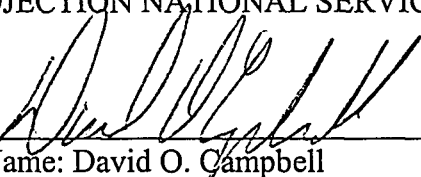
PROJECTION, INC.

By


Name: David O. Campbell
Title: Chief Executive Officer
Dated: February 22, 1999

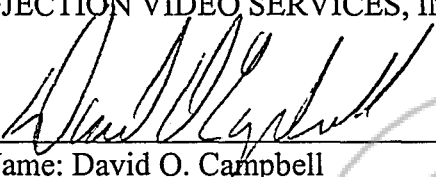
PROJECTION NATIONAL SERVICES, INC.

By


Name: David O. Campbell
Title: Chief Executive Officer
Dated: February 22, 1999

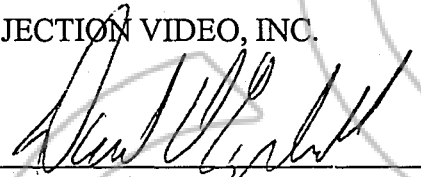
PROJECTION VIDEO SERVICES, INC.

By


Name: David O. Campbell
Title: Chief Executive Officer
Dated: February 22, 1999

PROJECTION VIDEO, INC.


By

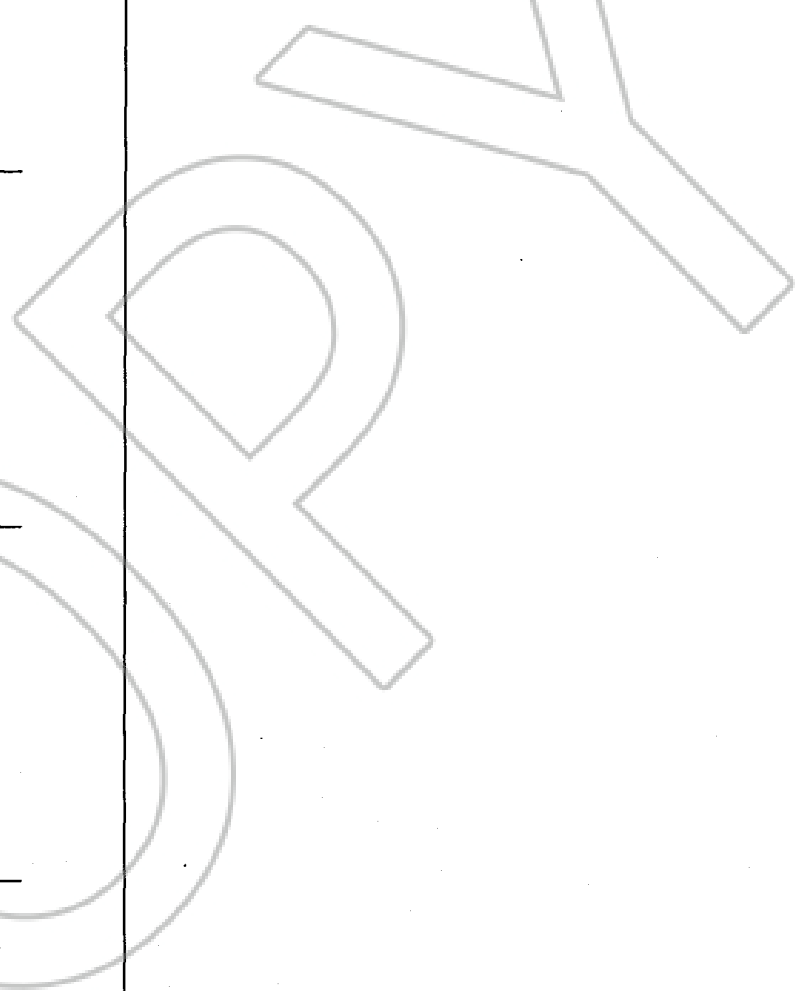

Name: David O. Campbell
Title: Chief Executive Officer
Dated: February 22, 1999

Signature of Secured Party if applicable (Date)

FIRST UNION NATIONAL BANK

By


Name: David A. Dix
Title: Vice President
Dated: February 23, 1999



After Recordation Please Mail the Same To:

David S. Musgrave, Esquire
Piper & Marbury L.L.P.
36 South Charles Street, 6th Floor
Baltimore, Maryland 21201-3018

Debtors: **PROJECTION, INC.**
 PROJECTION NATIONAL SERVICES, INC.
 PROJECTION VIDEO SERVICES, INC.
 PROJECTION VIDEO, INC.

Secured Party: **FIRST UNION NATIONAL BANK**

EXHIBIT A TO FINANCING STATEMENT

The Debtors grant and confirm to the Secured Party a lien on and continuing security interest in, and pledge and assign to the Secured Party, the Collateral, as herein defined, to secure the Debtors' obligations and liabilities to the Secured Party.

DEFINITION OF TERMS

All terms used herein without definition which are defined by the Virginia Uniform Commercial Code shall have the meanings assigned to them by the Virginia Uniform Commercial Code unless and to the extent varied by the Agreement.

"Agreement" shall mean the Amended and Restated Business Loan and Security Agreement dated August 27, 1998 by and between the Debtor and the Secured Party.

"Collateral" shall mean:

(a) all Receivables, Inventory, General Intangibles, Contracts, and Equipment and, in addition, all other property of the Debtors in which the Secured Party has, or may in the future acquire or be granted, a Lien hereunder;

(b) all amounts now or in the future owed by the Secured Party to the Debtors and all property and funds of the Debtors (including deposit accounts, certificates of deposit, and investments made or managed by the Secured Party on behalf of the Debtors), now owned or hereafter acquired by the Debtors and now or hereafter in the Secured Party's possession or control;

(c) all present and future substitutions, replacements, appurtenances, accessories, accessions and materials and supplies relating to any of the foregoing;

(d) all of the Debtors' present and future books and records in any form, in or on any media, including data processing materials in any form (including software, tapes, discs and the like), whether in the possession of the Debtors or any other person; and

(e) all present and future proceeds and products of all of the foregoing in any form whatsoever and all rights, including rights to the payment of money for any reason, arising on account of any sale, assignment, lease, rental, license, exchange, liquidation, condemnation,

taking, theft or any disposition of any nature of, or any damage or casualty to, or any loss with respect to, any of the foregoing or any rights or interests of the Debtors in any of the foregoing, including, without limitation, cash proceeds (including all payments under any indemnities, warranties or guaranties payable with respect to any of the foregoing), noncash proceeds and proceeds acquired with cash proceeds, whether any such proceeds constitute consumer goods, farm products, equipment, inventory, documents of title, chattel paper, accounts, instruments or general intangibles, and all proceeds of insurance policies insuring any of the foregoing or any risks to the Debtors associated with any of the foregoing.

"Contract" or "Contracts" shall mean any contract, lease, purchase agreement, service agreement or other agreement between any Debtor (or its assignor) and a Contract Obligor, whether now existing or hereafter arising.

"Contract Obligor" shall mean each person obligated to make a payment to a Debtor under a Contract.

"Equipment" shall mean:

(a) all equipment of the Debtors of every type and description, now owned and hereafter acquired and wherever located, including, without limitation, all machinery, vehicles and other rolling stock, furniture, furnishings, tools, dies, leasehold improvements, fixtures, and materials and supplies relating to any of the foregoing;

(b) all present and future documents of title and trust receipts relating to any of the foregoing;

(c) all present and future rights, claims and causes of action of the Debtors in connection with purchases by the Debtors of (or contracts for the purchase by the Debtors of), or warranties relating to, or damages to, goods held or to be held by the Debtors as equipment;

(d) all present and future warranties, manuals and other written materials (and packaging thereof or relating thereto) relating to any of the foregoing;

(e) all present and future rights, claims and causes of action of the Debtors in connection with any agreements pursuant to which any suppliers, manufacturers or other persons have agreed or may agree, conditionally or otherwise, to purchase or repurchase from the Debtors, in bulk or otherwise, any goods held or to be held by the Debtors as equipment; and

(f) all present and future general intangibles of the Debtors in any way relating to any of the foregoing.

"General Intangibles" shall mean general intangibles as such term is defined in Section 9-106 of the U.C.C., now owned or hereafter acquired by the Debtors and, in any event, includes, without limitation, all customer lists, trademarks, patents, rights in intellectual property, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether patented or patentable or not) and technical information, procedures, designs, knowledge, know-

how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill, rights of indemnification and all right, title and interest which any Debtor may now or hereafter have in or under any Contract, now owned or hereafter acquired by a Debtor.

"Inventory" shall mean:

(a) all inventory of the Debtors of every type and description, now owned and hereafter acquired and wherever located, including, without limitation, raw materials, work in process, finished goods, goods returned or repossessed, and goods held for demonstration, marketing or similar purposes;

(b) all present and future materials and supplies of the Debtors used, usable or consumed in the course of the Debtors' business, whether relating to the manufacture, assembly, installation, repair, packaging, packing or shipment of goods by the Debtors, or relating to advertising or any other aspect of the Debtors' business;

(c) all present and future property of the Debtors in or on which any of the foregoing is stored or maintained;

(d) all present and future warranties, manuals and other written materials (and packaging thereof or relating thereto) relating to any of the foregoing;

(e) all present and future documents of title and trust receipts relating to any of the foregoing;

(f) all present and future customer lists of the Debtors;

(g) all present and future rights of the Debtors in connection with goods consigned to or by the Debtors;

(h) all present and future rights of the Debtors as an unpaid seller of goods, including rights of stoppage in transit, detinue and reclamation;

(i) all present and future rights, claims and causes of action of the Debtors in connection with purchases by the Debtors of (or contracts for the purchase by any Debtor of), or warranties relating to, or damages to, goods held or to be held by the Debtors as inventory;

(j) all present and future rights, claims and causes of action of the Debtors in connection with any agreements pursuant to which any suppliers, manufacturers or other persons have agreed or may agree, conditionally or otherwise, to purchase or repurchase from the Debtors, in bulk or otherwise, any goods held or to be held by the Debtors as inventory; and

(k) all present and future general intangibles of the Debtors in any way relating to any of the foregoing.

"Lien" or "Liens" shall mean any statutory or common law consensual or nonconsensual mortgage, pledge, security interest, encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

"Obligations" shall mean, as the same may be amended, modified, extended, renewed, supplemented, increased, refinanced, consolidated or replaced from time to time, all present and future obligations, indebtedness and liabilities of the Debtors to the Secured Party of every kind and nature, whether arising under the Agreement, the Other Agreements or otherwise (including, without limitation, all principal amounts, including future advances, interest charges, service charges, late charges, fees and all other charges and sums, as well as all costs and expenses, including attorneys' fees and expenses, payable or reimbursable by Debtors under or pursuant to the Agreement, the Other Agreements and otherwise), whether direct or indirect, joint or several, contingent or non-contingent, matured or unmatured, accrued or not accrued, liquidated or unliquidated, secured or unsecured, related or unrelated to the Agreement, whether or not now contemplated, whether arising in contract, tort or otherwise, whether or not any instrument or agreement relating thereto specifically refers to the Agreement, and whether or not of the same character or class as the Debtors' obligations under the Agreement, including, without limitation, reimbursement obligations of the Debtors in connection with any letters of credit issued by the Secured Party, obligations of the Debtors in connection with overdrafts in any checking or other account of the Debtors at the Secured Party, all claims against the Debtors acquired by assignment to the Secured Party, and all claims of the Secured Party against the Debtors arising or re-arising on account of or as a result of any payment made by the Debtors or any Other Obligor with respect to any obligations included in this definition which are rescinded or recovered from or restored or returned by the Secured Party under authority of any law, rule, regulation, order of court or governmental agency, or in connection with any compromise or settlement relating thereto or relating to any pending or threatened action, suit or proceeding relating thereto, whether arising out of any proceedings under the United States Bankruptcy Code or otherwise.

"Other Agreements" shall mean, as the same may be amended, modified, extended, renewed, supplemented or replaced from time to time, any and all agreements, contracts, promissory notes and other instruments, drafts, checks, bankers acceptances, security agreements, assignments, pledge agreements, hypothecation agreements, indemnification agreements, letters of credit and applications and agreements relating thereto, subordination agreements, mortgages, deeds of trust, leases, guaranty and other documents

- (a) now and hereafter existing between the Secured Party and the Debtors,
- (b) executed and/or delivered in connection with the Agreement or any of the Obligations, or
- (c) evidencing, guaranteeing, securing (directly or indirectly), subordinating other obligations of the Debtors or any Other Obligor to, containing any warranties, covenants,

agreements or representations of any person relating to, or in any other manner relating to, any of the Obligations or any obligation of any Other Obligor in connection with any of the Obligations. The Other Agreements shall include, without limitation, the instruments and documents referred to in Subsection 5.01 of the Agreement.

"Other Obligor" shall mean any person that is now or hereafter primarily or secondarily, or contingently or non-contingently, liable for or obligated upon or in connection with any of the Obligations, or, whether or not so liable, that has granted any Lien to or for the benefit of the Secured Party as security for any of the Obligations or any obligations of any Other Obligor in connection with any of the Obligations.

"Receivables" shall mean:

(a) all of the Debtors' present and future accounts, contract rights, receivables, promissory notes and other instruments, chattel paper and general intangibles;

(b) all present and future tax refunds of the Debtors and all present and future rights of the Debtors to refunds or returns of prepaid expenses, including unearned insurance premiums;

(c) all present and future cash of the Debtors;

(d) all deposit accounts now or hereafter maintained or established by, for or on behalf of the Debtors with any bank or other institution, and all balances of funds now or hereafter on deposit in all such accounts, including, without limitation, all checking accounts, collection accounts, lockbox accounts, disbursement accounts, concentration accounts and all other deposit accounts of every kind and nature;

(e) all present and future judgments, orders, awards and decrees in favor of the Debtors and causes of action in favor of the Debtors;

(f) all present and future claims, rights of indemnification and other rights of the Debtors under or in connection with any contracts or agreements to which the Debtors are or become a party or third party beneficiary;

(g) all rights and claims of the Debtors with respect to any deposits of money or other property made with any lessors of any property, insurers, bonding agents or any other persons;

(h) all present and future rights and claims which the Debtors may now or hereafter have under any insurance policies, contracts or coverages now or hereafter in effect;

(i) all goods previously or hereafter returned, repossessed or stopped in transit, the sale, lease or other disposition of which contributed to the creation of any account, instrument or chattel paper of the Debtors;

(j) all present and future rights of the Debtors as an unpaid seller of goods, including rights of stoppage in transit, detinue and reclamation;

(k) all rights which the Debtors may now or at any time hereafter have, by law or agreement, against any account debtor or other Obligor of the Debtors, and all rights and Liens which the Debtors may now or at any time hereafter have, by law or agreement, against any property of any account debtor or other obligor of the Debtors;

(l) all present and future interests and rights of the Debtors, including rights to the payment of money, under or in connection with all present and future leases and subleases of real or personal property to which the Debtors are a party, as lessor, sublessor, lessee or sublessee;

(m) all present and future customer lists of the Debtors;

(n) all present and future contingent and non-contingent rights of the Debtors to the payment of money for any reason whatsoever, whether arising in contract, tort or otherwise, whether or not such rights are otherwise included in this definition; and

(o) all present and future rights of the Debtors with respect to licenses, patents, copyrights, franchises, trade names and trademarks.

"U.C.C." means the Uniform Commercial Code as the same, from time to time, shall be in effect in the State of Virginia.

Proceeds and products of the Collateral are covered hereunder.

RETURN TO: ✓ **David S. Musgrave, Esquire**
Piper & Marbury L.L.P.
36 South Charles Street, 6th Floor
Baltimore, Maryland 21201-3018

REQUESTED BY
David S Musgrave Esq
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'99 MAR -3 A11:47

LINDA SLATER
RECORDER
\$30 PAID *to* DEPUTY