

FINANCING STATEMENT

THIS FINANCING STATEMENT IS PRESENTED TO A FILING OFFICER FOR FILING PURSUANT TO THE UNIFORM COMMERCIAL CODE.

DEBTOR'S NAME
AND ADDRESS:

Quality Components, Inc.
3722 Century Drive
Klamath Falls, Oregon 97601

TAX I.D. NUMBER:

93-0995259

SECURED PARTY'S
NAME AND ADDRESS:

Heller Financial, Inc., as Agent
500 West Monroe
Chicago, Illinois 60661

TAX I.D. NUMBER

36-1208070

FOR FILING OFFICER:

Klamath County, Oregon

This financing statement covers the following types or items of property, wherever located, whether now owned or existing or hereafter owned, existing, acquired or arising, and whether in Debtor's, Secured Party's or any other person's or entity's possession or control:

1. All:
 - (A) Accounts;
 - (B) Inventory;
 - (C) General Intangibles;
 - (D) Documents;
 - (E) Instruments;

- (F) Equipment;
- (G) Fixtures;
- (H) All deposit accounts of Debtor maintained with any bank or financial institution;
- (I) The Collateral Account, all cash deposited therein from time to time and other monies and property of Debtor in the possession or under the control of Secured Party;
- (J) 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 in subparts (A) - (I) above or are otherwise necessary or helpful in the collection thereof or realization thereon; and
- (K) Proceeds of all or any of the property described in subparts (A) - (J) above.

2. That certain real property more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Real Property").

3. Any and all agreements relating to the purchase or lease of any land which is adjacent or peripheral to the Real Property, including options relating to any such land or any interest therein, if any.

4. Any and all structures, buildings and improvements now existing or hereafter erected on the Real Property (the "Improvements"), all easements, rights and appurtenances thereto or used in connection therewith, all rents, royalties, issues, profits, revenues, income and other benefits thereof or arising from the use or enjoyment of all or any portion thereof, all interests in and rights, royalties and profits in connection with all minerals, oil and gas and other hydrocarbon substances thereon or therein, development rights or credits, air rights, water, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant) and water stock relating thereto.

5. Any and all present and future intangible property and rights of every nature relating to the operation of, or used in connection with, the Real Property or the Improvements, whether now existing or hereafter acquired or created, including without limitation all patents, patent applications, trademarks, trade names, service names, service marks, copyrights, logos, computer software, architectural drawings and renderings, goodwill, judgments, claims, choses in action, license agreements, royalty payments, insurance policies, permits, licenses and regulatory approvals (and all requests and applications with respect thereto), and any and all other general intangibles within the meaning of the UCC.

6. Any and all present and future fixtures, installations and other immovable tangible personal property now or hereafter installed in, affixed to, placed upon, or used or useful in connection with (and located at) the Real Property or the Improvements, including, but without limitation, all heating, lighting, laundry, incinerating, gas, electric power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communications apparatus, air cooling and air conditioning apparatus, elevators and escalators and related machinery and equipment, shades, awnings, blinds, curtains, drapes, attached floor coverings, including rugs and carpeting, television, radio and music, cable antennae and systems, screens, storm doors and windows, stoves, refrigerators, dishwashers and other installed appliances, attached cabinets, partitions, ducts and compressors, and trees, plants and other items of landscaping, and the foregoing equipment and other personal property covered hereby shall specifically include machinery, apparatus, equipment, fittings, and articles of personal property used in the business of Debtor (commonly referred to as "trade fixtures"), and all parts thereof, all additions and accessions thereto, all replacements thereof and all substitutions therefor;

7. Any and all present and future machinery, equipment, building materials, appliances, furniture, furnishings, goods and other tangible personal property of every nature whatsoever (herein collectively called "equipment and other personal property") now or hereafter located in, or on, or used or intended to be used in connection with, the Real Property or the Improvements.

8. Such of the following personal property as shall be owned or held by Debtor in connection with the use or operation of the Real Property or the Improvements: any plans and specifications pertaining to the structures or improvements, including, without limitation, mechanical, structural and electrical performance standards; all appraisals, engineering, soils, asbestos, hazardous materials and other reports and studies relating to the structures or improvements; and all permits, licenses, and, to the extent assignable, contract rights, warranties, guarantees, catalogs and correspondence with present or prospective suppliers.

9. Any and all present and future inventory of Debtor placed upon or used or useful in connection with the Real Property or the Improvements, and all documents of title or documents representing any of the foregoing, together with all additions and accessions thereto, all replacements and substitutions therefor and all products thereof, all whether now owned or existing or hereafter acquired by Debtor, including without limitation all goods held for sale or lease, all raw materials, work in process and materials used or consumed in Debtor's business, all finished goods, all supplies of any kind, nature or description which are or might be used in connection with the manufacture, production, packaging, packing, shipping, advertisement, sale or finishing of such goods.

10. Any and all Proceeds of any and all of the foregoing items of property, including without limitation any and all amounts or payments (in any form whatsoever) received or receivable when any of the foregoing items is sold, collected, exchanged or otherwise disposed of (whether voluntarily or involuntarily, or in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of all or any part of the foregoing items

by any governmental authority, any and all proceeds of and rights to payment (including without limitation return premiums) with respect to any insurance relating to the foregoing items, all proceeds of any indemnity, warranty or guaranty payable with respect to any of the foregoing items, all interest, dividends and other property receivable or received on account of the foregoing items or proceeds thereof, and any and all other amounts from time to time paid or payable under, in connection with or with respect to the foregoing items or any proceeds thereof.

Initially-capitalized terms used in this financing statement and not defined herein have the meanings given on Schedule 1 attached hereto.

The inclusion of proceeds as collateral does not authorize the sale, exchange or other disposition of any collateral.

Products of the collateral are also covered.

All terms used above which are defined in the Uniform Commercial Code shall have the meanings therein stated.

THE COLLATERAL INCLUDES FIXTURES ON THE REAL PROPERTY DESCRIBED ON EXHIBIT A. THE RECORD OWNER OF THE REAL PROPERTY IS QUALITY COMPONENTS, INC.

DEBTOR:

QUALITY COMPONENTS, INC.

SECURED PARTY:

HELLER FINANCIAL, INC., as Agent

By: 

Name: Donald D. Meyers

Title: Secretary

By: 

Name: Patrick K. Pesch

Title: Senior Vice President

After filing return to:
Jenkins & Gilchrist,
a Professional Corporation
1445 Ross Avenue, Suite 3200
Dallas, Texas 75202
Attention: Charles Helm

EXHIBIT A**The Real Property**

Lot 4 in Block 2 of Tract 1174, College Industrial Park, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lot 5 in Block 2 of Tract 1174, College Industrial Park, according to the official plat thereof on file in the office plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SCHEDULE 1

Defined Terms

"Accounts" means all "accounts" (as defined in the UCC) now owned or hereafter created or acquired by Debtor including, without limitation, all of the following now owned or hereafter created or acquired by Debtor: (a) accounts receivable, contract rights, book debts, notes, drafts 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; (b) Debtor's rights in, to and under all purchase orders for goods, services or other property; (c) 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 to stoppage in transit); (d) 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); and (e) Proceeds (as defined below) 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.

"Collateral" means the property described in this financing statement.

"Collateral Account" means a cash collateral account established by Debtor with Secured Party or a financial institution designated by Secured Party.

"Copyright License" means any written agreement now or hereafter in existence granting to Debtor any right to use any Copyright.

"Copyrights" means collectively all of the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations and copyright applications now owned or hereafter created or acquired by Debtor; (b) all renewals of any of the foregoing; (c) 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; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing goods now owned or hereafter acquired by Debtor.

"Equipment" means all "equipment" (as defined in the UCC) now owned or hereafter acquired by Debtor including, without limitation, all machinery, motor vehicles, trucks, trailers, vessels, aircraft and rolling stock and all parts thereof and all additions and accessions thereto and replacements therefor.

"Fixtures" means all "fixtures" (as defined in the UCC) now owned or hereafter acquired by Debtor including without limitation, all plant fixtures; business fixtures; other fixtures and storage office facilities, wherever located; and all additions and accessions thereto and replacements therefor.

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by Debtor, including, without limitation, all right, title and interest of Debtor in and to: (a) all agreements, leases, licenses and contracts to which Debtor is or may become a party; (b) all obligations or indebtedness owing to Debtor (other than Accounts) from whatever source arising; (c) all tax refunds; (d) Intellectual Property; and (e) all trade secrets and other confidential information relating to the business of Debtor including by way of illustration and not limitation: systems and techniques for the analysis, diagnosis and correction of malfunctions of products used by Debtor's customers; the names and addresses of, and credit and other business information concerning, Debtor's past, present or future customers; the prices which Debtor obtains for its services or at which it sells merchandise; estimating and cost procedures; profit margins; policies and procedures pertaining to the sale and design of equipment, components, devices and services furnished by Debtor; information concerning suppliers of Debtor; and information concerning the manner of operation, business plans, pledges, projections, 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.

"Instruments" means all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC) including, but not limited to, promissory notes, drafts, bills of exchange and trade acceptances, now owned or hereafter acquired by Debtor.

"Intellectual Property" shall mean collectively all of the following: Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses.

"Inventory" means all "inventory" (as defined in the UCC), now owned or hereafter acquired by Debtor, wherever located including, without limitation, 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 thereof and goods which are returned to or repossessed by Debtor.

"Patent License" means any written agreement now or hereafter in existence granting to Debtor any right to use any invention on which a Patent is in existence.

"Patents" means collectively all of the following: (a) all patents and patent applications now owned or hereafter created or acquired by Debtor and the inventions and improvements described and claimed therein, and patentable inventions; (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages or payments now and hereafter due and/or payable under any of the foregoing with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past,

350713

present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with any of the foregoing.

"Proceeds" means 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 Collateral 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 Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"Trademark License" means any written agreement now or hereafter in existence granting to Debtor any right to use any Trademark.

"Trademarks" means collectively all of the following now owned or hereafter created or acquired by Debtor: (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, 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 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; (b) all reissues, extensions or renewals thereof; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing including damages or payments for past or future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; (e) all rights corresponding to any of the foregoing throughout the world; and (f) all goodwill associated with and symbolized by any of the foregoing.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the States of Illinois, California, Oregon and Texas, as amended from time to time, and any successor statute.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Jenkins & Gilchrist the 29th day
of Dec. A.D., 19 93 at 11:21 o'clock A.M., and duly recorded in Vol. M93
of Mortgages on Page 35071

FEE \$40.00

Evelyn Biehn County Clerk

By Renee M. Muldore

Schedule 1, Page 3

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