



07-08-1998

FORM PTO-1018A
Expires 06/30/99
OMB 0651-0027

07-27-1998



100776769

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

7-8-98

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

TRADEMARK FEE RECEIVED
U.S. PATENT & TRADEMARK OFFICE
Effective Date
Month Day Year
24 98
Execution Date
Month Day Year
04 24 98

Conveying Party

Mark if additional names of conveying parties attached

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

7/24/1998 DMGUYEN 00000066 75043227

FOR OFFICE USE ONLY

1 FC:481
02 FC:482

40.00 OP
175.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments & Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Marc A. Bergsman

Name of Person Signing

Marc A. Bergsman

Signature

July 7, 1998

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of April 24, 1998 (this "Security Agreement"), is made by BPC ACQUISITION COMPANY, a Michigan corporation ("BPC" and hereinafter sometimes, together with any other parties, if any, identified on the signature pages hereof, referred to individually as a "Grantor" and collectively as the "Grantors"), in favor of NBD BANK, a Michigan banking corporation, as agent (in such capacity, the "Agent") for the Banks from time to time party to the Credit Agreement identified below.

RECITALS

A. Hines (hereinafter also occasionally referred to as "Borrower"), the banks identified on the signature pages thereof (together with any other banks party thereto from time to time, collectively the "Banks" and individually a "Bank"), and the Agent have entered into a Credit Agreement dated as of May 5, 1997, as amended by the First Amendment, dated as of November 25, 1997 (as further amended, supplemented, extended, restated or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Banks have agreed, on the terms and conditions set forth therein, to extend credit to the Borrower.

B. As conditions precedent to the continuing effectiveness of the Banks' obligations under the Credit Agreement, (1) BPC has executed in favor of the Agent for the benefit of the Banks and the Agent that certain Irrevocable Guaranty Agreement, dated as of April 24, 1998 (as amended or modified from time to time, the "Guaranty Agreement"), pursuant to which BPC guarantees the payment and performance of any and all indebtedness, obligations and liabilities of any kind of Borrower in respect of the Credit Agreement, and (2) the Grantors are required to grant to the Agent for the benefit of the Agent and the Banks a first-priority security interest in and to the Collateral hereinafter described.

NOW, THEREFORE, to secure (a) the payment of the principal sum of up to Twenty Four Million Dollars (\$24,000,000), together with interest thereon, in accordance with the terms of the Notes issued by Borrower pursuant to the Credit Agreement (the "Notes"), (b) the performance of the covenants herein contained and any monies expended by the Agent in connection therewith, and (c) the payment of all obligations and performance of all covenants of the Grantors under the Credit Agreement, the Guaranty Agreement, the Security Documents and any other documents, agreements or instruments between the Grantors or any of them and the Banks and the Agent given in connection therewith (all of the aforesaid indebtedness, obligations and liabilities of the Grantors being herein called the "Secured Obligations", and all of the documents, agreements and instruments between the Grantors or any of them and the Banks and the Agent evidencing or securing the repayment of, or otherwise pertaining to, the Secured Obligations being herein collectively called the "Operative Documents"), for value received and pursuant to the Credit Agreement, each Grantor hereby grants, assigns and transfers to the Agent for the benefit of the Banks and the Agent a first-priority security interest in and to the following

described property whether now owned or existing or hereafter acquired or arising and wherever located (all of which is herein collectively called the "Collateral"):

(a) All of each such Grantor's present and future accounts, documents, instruments, general intangibles and chattel paper, including, but without limitation, all contract rights, all accounts receivable, all deposit accounts and all monies and claims for money due or to become due to each such Grantor;

(b) All of each such Grantor's right, title and interest in all furniture, fixtures, machinery and equipment, whether now owned or hereafter acquired, and wherever located, and whether used by such Grantor or any other person, or leased by such Grantor to any person and whether the interest of such Grantor is as owner, lessee or otherwise;

(c) All of each such Grantor's inventory of every type, wherever located, including but not limited to raw materials, work in process, finished goods and all inventory that is available for leasing or leased to others by each such Grantor;

(d) All other present and future assets of each such Grantor (whether tangible or intangible), including but not limited to all trademarks, tradenames, service marks, patents, industrial designs, masks, trade names, trade secrets, copyrights, franchises, customer lists, service marks, computer programs, software, tax refund claims, licenses and permits, and the good will associated therewith and all federal, state, foreign and other applications and registrations therefor, all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof now or hereafter in effect, all income, license royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, any damages, proceeds or payments for past or future infringements thereof and all income, royalties, damages and payments under all licenses thereof, the right to sue for past, present and future infringements thereof, all right, title and interest of each such Grantor as licensor under any of the foregoing whether now owned and existing or hereafter arising and all other rights and other interests corresponding thereto throughout the world (all of the assets described in this clause (d) collectively referred to as the "Intellectual Property");

(e) All books, records, files, correspondence, computer programs, tapes, disks, cards, accounting information and other data of each of the Grantors related in any way to the Collateral described in clauses (a) through (d) above, including but not limited to any of the foregoing necessary to administer, sell or dispose of any of the Collateral;

(f) All substitutions and replacements for, and all additions and accessions to, any and all of the foregoing; and

(g) All products and all proceeds of any and all of the foregoing, and, to the extent not otherwise included, all payments under the insurance (whether or not the Agent on behalf of the Banks is the loss payee thereof), and any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing.

I. Representations, Warranties, Covenants and Agreements. Each Grantor represents, warrants, covenants and agrees with the Agent for the benefit of the Banks and the Agent as follows:

(a) Ownership of Collateral; Security Interest Priority. At the time any Collateral becomes subject to the security interest of the Agent granted hereunder, unless the Agent shall otherwise consent in writing, each Grantor shall be deemed to have represented and warranted that (i) one or more of Grantors is the lawful owner of such Collateral and has the right and authority to subject the same to the security interest of the Agent hereunder; and (ii) other than Permitted Liens, none of the Collateral is subject to any Lien other than that in favor of the Agent hereunder and there is no effective financing statement covering any of the Collateral on file in any public office, other than in favor of the Agent. Except as specified in clause (ii) above, this Security Agreement creates in favor of Agent a valid and perfected first-priority security interest in the Collateral enforceable against the Grantors and all third parties and securing the payment of the Secured Obligations and all filings and other actions necessary or desirable to create, preserve or perfect such security interest have been duly taken.

(b) Location of Offices, Records and Facilities. Each Grantor's chief executive office and chief place of business and the office where each Grantor keeps its records concerning its accounts, contract rights, chattel paper, instruments, general intangibles and other obligations arising out of or in connection with the sale or lease of goods or the rendering of services or otherwise ("Receivables"), and all originals of all leases and other chattel paper which evidence Receivables, and all other offices and facilities of each Grantor, are located at the respective addresses identified for each such Grantor in Schedule 1(b)(i) hereto. Each Grantor will provide the Agent with prior written notice of any proposed change in the location of its chief executive office or any of its other offices and facilities, and will not change the location of its chief executive office or any of its other offices and facilities without the prior written consent of the Agent. The tax identification number of each Grantor is set forth in Schedule 1(b)(ii) hereto. The name of each Grantor is referenced above, and no Grantor operates under any other names except as set forth in Schedule 1(b)(ii) hereto. No Grantor shall change its name without the prior written consent of the Agent.

(c) Location of Inventory, Fixtures, Machinery and Equipment. (i) All Collateral consisting of inventory is, and will be, located at the locations listed on Schedule 1(c)(i) hereto, and at no other locations without the prior written consent of the Agent. (ii) All Collateral consisting of fixtures, machinery or equipment is, and will be, located at the locations listed on Schedule 1(c)(ii) hereto, and at no other locations without the prior written consent of the Agent. If the Collateral described in clauses (i) or (ii) is kept at leased locations or warehoused, each Grantor has obtained appropriate landlord's lien waivers or appropriate warehouseman's notices have been sent, each satisfactory to the Agent, unless waived by the Agent.

(d) Liens, Etc. The Grantors will keep the Collateral free at all times from any and all Liens other than Permitted Liens and those consented to in writing by the Required Banks. No Grantor will, without the prior written consent of the Agent, sell or lease, or permit or suffer to be sold or leased, any of the Collateral except inventory which is sold or, subject to the Agent's security interest therein, is leased in the ordinary course of business and except as

otherwise permitted under the Credit Agreement. The Agent or its attorneys may at any and all reasonable times inspect the Collateral and for such purpose may enter upon any and all premises where the Collateral is or might be kept or located.

(e) Insurance. The Grantors shall keep the tangible Collateral insured at all times against loss by theft, fire and other casualties. Said insurance shall be issued by a company or companies satisfactory to the Agent and shall be in amounts sufficient to protect the Agent and the Banks against any and all loss or damage to the Collateral. The policy or policies which evidence said insurance shall be delivered to the Agent upon request, shall include a lender's loss payable endorsement in favor of the Agent, shall name the Agent as an additional insured as its interest may appear, shall not permit amendment, cancellation or termination without giving the Agent at least 30 days' prior written notice thereof, and shall otherwise be in form and substance satisfactory to the Agent. Reimbursement under any liability insurance maintained by the Grantors pursuant to this Section 1(e) may be paid directly to the person who shall have incurred liability covered by such insurance. In case of any loss to tangible Collateral when the next succeeding sentence is not applicable, the Grantors shall make or cause to be made the necessary repairs to or replacements of such tangible Collateral and any proceeds of insurance maintained by the Grantors pursuant to this Section 1(e) shall be paid to the Grantors as reimbursement for the costs of such repairs or replacements. Upon the occurrence and during the continuance of an Event of Default or the actual or constructive total loss of any tangible Collateral, all insurance payments in respect of such tangible Collateral shall be paid to the Agent for application by the Secured Obligations unless waived by the Required Banks.

(f) Taxes, Etc. The Grantors will pay promptly, and within the time that they can be paid without interest or penalty, any taxes, assessments and similar imposts and charges, not being contested in good faith, which are now or hereafter may become a lien, charge or encumbrance upon any of the Collateral. If the Grantors fail to pay any such taxes, assessments or other imposts or charges in accordance with this Section, the Agent and the Banks shall have the option to do so and the Grantors jointly and severally agree to repay forthwith all amounts so expended by the Agent with interest at the Overdue Rate.

(g) Further Assurances. The Grantors will do all acts and things and will execute all financing statements and writings requested by the Agent to establish, maintain and continue a perfected and valid security interest of the Agent for the benefit of the Agent and the Banks in the Collateral or any other security supporting the Secured Obligations, and will promptly on demand pay all reasonable costs and expenses of filing and recording all instruments, including the costs of any searches deemed necessary by the Agent to establish and determine the validity and the priority of the Agent's security interest. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement.

(h) List of Patents, Copyrights, Mask Works and Trademarks. Attached hereto as Schedule 1(h)(i) is a list of all patents and patent applications owned by each Grantor. Attached hereto as Schedule 1(h)(ii) is a list of all registered copyrights and all mask works and applications therefor owned by each Grantor. Attached hereto as Schedule 1(h)(iii) is a list of all

trademarks and service marks owned by each Grantor. If each such Grantor at any time owns any additional patents, copyrights, mask works, trademarks or any applications therefor not listed on such schedules, the Grantor shall give the Agent prompt written notice thereof and hereby authorizes the Agent to modify this Security Agreement by amending Schedules 1(h)(i), 1(h)(ii) and 1(h)(iii) to include all future patents, copyrights, mask works, trademarks and applications therefor and agrees to execute all further instruments and agreements, if any, if requested by the Agent and the Banks to evidence the Agent's interest therein.

(i) Maintenance of Tangible Collateral. The Grantors will cause the tangible Collateral to be maintained and preserved in the same condition, repair and working order as when new, ordinary wear and tear excepted, and in accordance with any manufacturer's manual, and shall forthwith, or, in the case of any loss or damage to any of the tangible Collateral as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements made in connection therewith which are necessary or desirable to such end. The Grantors shall promptly furnish to the Agent a statement respecting any loss or damage to any of the tangible Collateral.

(j) Maintenance of Intangible Collateral. The Grantors shall preserve and maintain all rights of the Grantors and the Agent and the Banks in the intangible Collateral, including without limitation the payment of all maintenance fees and the taking of appropriate action at the Grantors' expense to halt the infringement of any of the intangible Collateral.

(k) Special Rights Regarding Accounts Receivable. The Agent or any of its agents may, at any time and from to time the Agent has any reason to doubt the accuracy of the Authorization Borrowing Base as determined by the Borrower, and irrespective of the existence of any Event of Default under this Security Agreement, verify directly with the Grantors' respective account debtors the accounts pledged hereunder in any manner. The Agent or any of its agents may, at any time from time to time in its sole discretion, notify the Grantors' respective account debtors of the security interest of the Agent in the Collateral and/or, if an Event of Default has occurred and is continuing, direct such account debtors that all payments in connection with such obligations and the Collateral be made directly to the Agent in the Agent's name. If the Agent or any of its agents shall collect such obligations directly from such account debtors, the Agent or any of its agents shall have the right to resolve any disputes relating to returned goods directly with such account debtors in such manner and on such terms as the Agent or any of its agents shall deem appropriate. Each Grantor hereby directs and authorizes any and all of its present and future account debtors to comply with requests for information from the Agent, the Agent's designees and agents and/or auditors, relating to any and all business transactions between such Grantor and such account debtors. Each Grantor hereby further directs and authorizes all of its account debtors upon receiving a notice or request sent by the Agent or the Agent's agents or designees to pay directly to the Agent any and all sums of money or proceeds now or hereafter owing by such Grantor's account debtors to such Grantor, and any such payment shall act as a discharge of any debt of such account debtor to such Grantor in the same manner as if such payment had been made directly to such Grantor. The such Grantor agrees to take any and all action as the Agent may request to assist the Agent in exercising the rights described in this Section.

2. Events of Default. The occurrence of any Event of Default under the Credit Agreement shall be deemed an "Event of Default" under this Security Agreement.

3. Remedies. Upon the occurrence of any Event of Default, the Agent shall have and may exercise any one or more of the rights and remedies provided to it under this Security Agreement or any of the other Operative Documents or provided by law, including but not limited to all of the rights and remedies of a secured party under the Uniform Commercial Code of Michigan, and each Grantor hereby agrees to assemble the Collateral and make it available to the Agent at a place to be designated by the Agent which is reasonably convenient to such Grantor and the Agent, and authorizes the Agent to take possession of the Collateral with or without demand and with or without process of law and to sell and dispose of the same at public or private sale and to apply the proceeds of such sale (or the proceeds of any insurance) to the costs and expenses thereof (including reasonable attorneys' fees and disbursements, incurred by the Agent and the Banks) and then to the payment and satisfaction of any Secured Obligations. Any requirement of reasonable notice shall be met if the Agent sends such notice to any Grantor, by registered or certified mail, at least 5 days prior to the date of sale, disposition or other event giving rise to a required notice. The Agent or any Bank may be the purchaser at any such sale. The Grantors expressly authorize such sale or sales of the Collateral in advance of and to the exclusion of any sale or sales of or other realization upon any other collateral securing the Secured Obligations. The Agent and the Banks shall have no obligation to preserve rights against prior parties. Each Grantor hereby waives as to the Agent and the Banks any right of subrogation or marshalling of such Collateral and any other collateral for the Secured Obligations. To this end, each Grantor hereby expressly agrees that any such collateral or other security of the Grantors or any other party which the Agent and the Banks may hold, or which may come to any of them or any of their possession, may be dealt with in all respects and particulars as though this Security Agreement were not in existence. The parties hereto further agree that public sale of the Collateral by auction conducted in any county in which any Collateral is located or in which the Agent or any Grantor does business after advertisement of the time and place thereof shall, among other manners of public and private sale, be deemed to be a commercially reasonable disposition of the Collateral. The liability of the Grantors shall continue for any deficiency remaining after disposition of the Collateral.

4. Special Remedies Concerning Certain Collateral. (a) Upon the occurrence of any Event of Default, each Grantor shall, if requested to do so in writing, and to the extent so requested (i) promptly collect and enforce payment of all amounts due such Grantor on account of, in payment of, or in connection with, any of the Collateral, (ii) hold all payments in the form received by such Grantor as trustee for the Agent, without commingling with any funds belonging to such Grantor, and (iii) forthwith deliver all such payments to the Agent with endorsement to the Agent's order of any checks or similar instruments.

(b) Upon the occurrence of any Event of Default, each Grantor shall, if requested to do so, and to the extent so requested, notify all account debtors and other persons with obligations to such Grantor on account of or in connection with any of the Collateral of the security interest of the Agent in the Collateral and direct such account debtors and other persons that all payments in connection with such obligations and the Collateral be made directly to the Agent. The Agent itself, or any of its agents, may, upon the occurrence of an Event of Default,

so notify and direct any such account debtor or other person that such payments are to be made directly to the Agent. If the Agent or any of its agents shall collect such obligations directly from any of such account debtors, the Agent or any of its agents shall have the right to resolve any disputes relating to returned goods directly with such account debtors in such manner and on such terms as the Agent or any of its agents shall deem appropriate. Each Grantor directs and authorizes all of its account debtors upon receiving a notice or request sent by the Agent or the Agent's agents or designees to pay directly to the Agent or the Banks any and all sums of money or proceeds now or hereafter owing by such Grantor's account debtors to such Grantor and any such payment shall act as a discharge of any debt of such account debtor to such Grantor in the same manner as if such payment had been made directly to such Grantor.

(c) Upon the occurrence of any Event of Default, for purposes of assisting the Agent in exercising the rights and remedies provided to it under this Security Agreement, each Grantor (i) hereby irrevocably constitutes and appoints the Agent its true and lawful attorney, for it and in its name, place and stead, to collect, demand, receive, sue for, compromise, and give good and sufficient releases for, any monies due or to become due on account of, in payment of, or in connection with the Collateral, (ii) hereby irrevocably authorizes the Agent to endorse the name of such Grantor upon any checks, drafts, or similar items which are received in payment of, or in connection with any of the Collateral, and to do all things necessary in order to reduce the same to money, (iii) with respect to any Collateral, hereby irrevocably assents to all extensions or postponements of the time of payment thereof or any other indulgence in connection therewith, to each substitution, exchange or release of Collateral, to the addition or release of any party primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromise or adjustment (including adjustment of insurance payments) thereof, all in such manner and at such time or times as the Agent shall deem advisable, and (iv) hereby irrevocably authorizes the Agent to notify the post office authorities to change the address for delivery of such Grantor's mail to an address designated by the Agent, and the Agent may receive, open and dispose of all mail addressed to such Grantor. Notwithstanding any other provisions of this Security Agreement, it is expressly understood and agreed that the Agent shall have no duty or be obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payments received by it or to present or file any claim or take any other action to collect or enforce the payment of any amounts due or to become due on account of or in connection with any of the Collateral.

5. Remedies Cumulative. No right or remedy conferred upon or reserved to the Agent or the Banks under any Operative Document is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative in addition to every other right or remedy given hereunder or now or hereafter existing under any applicable law. Every right and remedy of the Agent or the Banks under any Operative Document or under applicable law may be exercised from time to time and as often as may be deemed expedient by the Agent or the Banks, as the case may be. To the extent that it lawfully may, each Grantor agrees that it will not at any time insist upon, plead, or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law which may affect observance or performance of any provisions of any Operative Document; nor will it claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of any security for its obligations under any Operative Document.

prior to any sale or sales thereof which may be made under or by virtue of any instrument governing the same.

6. Conduct No Waiver. No waiver of default shall be effective unless in writing executed by the Agent and waiver of any default or forbearance on the part of the Agent in enforcing any of its rights under this Security Agreement shall not operate as a waiver of any other default or of the same default on a future occasion or of such right.

7. Definitions; Headings. Unless otherwise defined herein, terms used in Article 9 of the Uniform Commercial Code in the State of Michigan are used herein as therein defined on the date hereof. The headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify any of the terms or provisions hereof. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

8. Notices. All notices, demands, requests, consents and other communications hereunder shall be in writing and shall be delivered or sent to all or any of the Grantors c/o Hines Corporation, Suite 300, 100 Terrace Plaza, Muskegon, Michigan 49440, Attention: Larry W. Hines, Facsimile No. (616) 724-7060, Facsimile Confirmation No. (616) 724-4360, and to the Agent at 200 Ottawa Avenue NW, Grand Rapids, Michigan 49503-2468, Attention: David B. DeBoer, Facsimile No. (616) 771-7440, Facsimile Confirmation No. (616) 771-7443, or to such other address as may be designated by the Grantors or the Agent by notice to the other. All notices and other communications shall be effective as provided in Section 8.2 of the Credit Agreement for notices under the Credit Agreement.

9. Rights Not Construed as Duties. The Agent and the Banks neither assume nor shall they have any duty of performance or other responsibility under any contracts in which the Agent has or obtains a security interest hereunder. If any Grantor fails to perform any agreement contained herein, the Agent may but is in no way obligated to itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by the Grantors under Section 12. The powers conferred on the Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and accounting for monies actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

10. Amendments. None of the terms and provisions of this Security Agreement may be modified or amended in any way except by an instrument in writing executed by each of the Grantors and the Agent.

11. Severability. If any one or more provisions of this Security Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected, impaired or prejudiced thereby. If at any time any portion of the Secured Obligations shall be determined by a court of competent jurisdiction to be invalid, unenforceable, or avoidable, the remaining portion of the

Secured Obligations shall not in any way be affected, impaired or prejudiced thereby and all Collateral granted, transferred and assigned hereunder shall continue to secure, to the fullest extent permitted by law, such remaining portion of the Secured Obligations.

12. Expenses. (a) The Grantors jointly and severally agree to indemnify the Agent and each Bank from and against any and all claims, losses and liabilities growing out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting solely from the Agent's or each such Bank's negligence or misconduct.

(b) The Grantors will, upon demand, pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Agent hereunder, or (iv) the failure of any Grantor to perform or observe any of the provisions hereof. The Grantors will reimburse the Agent for all expenses, including reasonable attorneys' fees and disbursements, incurred by the Agent in seeking to collect the indebtedness and other obligations secured hereby or any part thereof, in enforcing performance of any obligations of the Grantors under the Operative Documents, in defending the Agent's security interests and the priority thereof, or in pursuing any of the Agent's rights or remedies hereunder or under the Operative Documents.

13. Successors and Assigns; Termination. This Security Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until full and final payment and performance of the Secured Obligations and the termination or expiration of all lending facilities provided by the Banks to the Borrower and of all letters of credit, bankers' acceptances and guarantees, the obligations of the Borrower in respect of which constitute part of the Secured Obligations, (b) be binding upon the Grantors, their successors and assigns and (c) inure, together with the rights and remedies of the Agent and the Banks hereunder, to the Agent and the Banks and their successors, transferees and assigns. Upon the full and final payment and performance of the Secured Obligations and the termination or expiration of all such lending facilities, letters of credit, bankers' acceptances and guarantees, the security interests granted hereby shall terminate and all rights to the Collateral shall revert to the Grantors. Upon any such termination, the Agent will, at the Grantors' expense, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

14. Governing Law; Submission to Jurisdiction; Waivers. This Security Agreement is a contract made under, and shall be governed by and construed in accordance with, the laws of the State of Michigan applicable to contracts made and to be performed entirely within such State and without giving effect to choice of law principles of such State. Each Grantor further agrees that any legal action or proceeding with respect to this Security Agreement or any Operative Document or the transactions contemplated hereby may be brought in any court of the State of Michigan, or in any court of the United States of America sitting in Michigan, and each Grantor hereby submits to and accepts generally and unconditionally the non-exclusive

jurisdiction of those courts with respect to its person and property, and irrevocably appoints Larry W. Hines, Chairman of Hines Corporation, whose address in Michigan is Suite 300, 100 Terrace Plaza, Muskegon, Michigan 49440, as its agent for service of process and irrevocably consents to the service of process in connection with any such action or proceeding by personal delivery to such agent or to such Grantor or by the mailing thereof by registered or certified mail, postage prepaid to such Grantor, c/o Hines Corporation., Attention: Larry W. Hines, at its address set forth in Section 8. Nothing in this Section shall affect the right of the Agent to serve process in any other manner permitted by law or limit the right of the Agent to bring any such action or proceeding against any Grantor or property in the courts of any other jurisdiction.

15. Counterpart Execution. This Security Agreement may be signed upon any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Security Agreement shall become effective as to each Grantor when a counterpart hereof shall have been signed by such Grantor.

[The rest of this page intentionally left blank.]

IN WITNESS WHEREOF, each Grantor has caused this Security Agreement to be duly executed as of the day and year first set forth above.

BPC ACQUISITION COMPANY

By: _____

Greg Williams

Its: _____

Chairman

**SCHEDULE 1(b)(i) TO
SECURITY AGREEMENT**

List of Other Office and Facility Locations

<u>Grantor's Name</u>	<u>Type of Office or Facility</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
---------------------------	---------------------------------------	----------------	-------------	---------------	--------------

SCHEDULE 1(b)(ii) TO
SECURITY AGREEMENT

Tax Identification Numbers and Other Names

Tax Identification Numbers

<u>Grantor</u>	<u>No.</u>
BPC	

Other Names

<u>Grantor</u>	<u>Names</u>
BPC	

**SCHEDULE 1(c)(i) TO
SECURITY AGREEMENT**

List of Inventory Locations

<u>Grantor's Name</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	If Leased or Warehoused, Name and Address of <u>Lessor/Warehousemen</u>
---------------------------	----------------	-------------	---------------	--------------	---

**SCHEDULE 1(c)(ii) TO
SECURITY AGREEMENT**

List of Fixtures, Machinery, and Equipment Locations

<u>Grantor's Name</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	Legal Description, Record Owner, and Tax Parcel No. (if fixtures are at this location) _____
---------------------------	----------------	-------------	---------------	--------------	---

DETROIT 60143-86 338178

TRADEMARK
REEL: 1758 FRAME: 0581

SCHEDULE 1(h)(i) TO SECURITY AGREEMENT

Patents and Applications

DETROIT 60145-86 338179

TRADEMARK
REEL: 1758 FRAME: 0582

SCHEDULE 1(h)(ii) TO SECURITY AGREEMENT

Copyrights, Maskworks and Applications

DETROIT 60145-86 338181

TRADEMARK
REEL: 1758 FRAME: 0583

SCHEDULE 1(h)(iii) TO SECURITY AGREEMENT

Trademarks, Service Marks and Applications

DETROIT 60145-86 338185

**TRADEMARK
REEL: 1758 FRAME: 0584**

**SCHEDULE 1(b)(i) TO
SECURITY AGREEMENT**

List of Other Office and Facility Locations

<u>Grantor's Name</u>	<u>Type of Office or Facility</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>
BPC Acquisition Company	Manufacturing & Office	1218 Pontaluna Road	Spring Lake	Ottawa	MI

SCHEDULE 1(b)(ii) TO
SECURITY AGREEMENT

Tax Identification Numbers and Other Names

Tax Identification Numbers

<u>Grantor</u>	<u>No.</u>
BPC	38-3408088

Other Names

<u>Grantor</u>	<u>Names</u>
BPC	Bennett Pump Company

**SCHEDULE 1(c)(i) TO
SECURITY AGREEMENT**

List of Inventory Locations

<u>Grantor's Name</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>If Leased or Warehoused, Name and Address of Lessor/Warehousemen</u>
BPC	1218 E. Pontaluna Rd.	Spring Lake	Ottawa	MI	Robert Grooters Development Co. 333 Bridge NW Suite 1200 Grand Rapids, MI 49504

**SCHEDULE 1(c)(ii) TO
SECURITY AGREEMENT**

List of Fixtures, Machinery, and Equipment Locations

<u>Grantor's Name</u>	<u>Address</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>Legal Description, Record Owner, and Tax Parcel No. (if fixtures are at this location)</u>
BPC	1218 R. Pontaluna Rd.	Spring Lake	Ottawa	MI	Robert Grooters Development Co. 333 Bridge NW Suite 1200 Grand Rapids, MI 49504

DETROIT 60145-86 338178

TRADEMARK
REEL: 1758 FRAME: 0588

SCHEDULE 1(h)(i) TO SECURITY AGREEMENT

Patents and Applications

See Attached Exhibit 1.1 (d)

DETROIT 60145-86 338179

TRADEMARK
REEL: 1758 FRAME: 0589

Bennett Pump Company Intellectual Property

Issued Patents

Patent Number	Title	Issued Date	Expiration Date
5,717,564	Fuel Pump Wiring	Feb 10, 1998	Oct 7, 2016
5,332,010	Method of recovering fuel from fuel tank	Jul 26, 1994	Jul 26, 2011
5,299,135	Direct interface between fuel pump and computer	Mar 29, 1994	Mar 29, 2011
5,257,651	Fuel recovery pump and register	Nov 2, 1993	Nov 2, 2010
5,094,106	Liquid Meter for fuel pumps	Mar 10, 1992	Mar 10, 2009
4,576,312	Fuel Dispensing Station	Mar 18, 1986	Mar 18, 2001

Provisional Patents

Title	Date Filed
Video Pump - This invention relates to a single virtual graphics display and two physical graphics displays using a single cpu	Dec 12, 1997
Fuel Dispenser - This relates to 10 unique inventions from our Horizon Dispenser. The Fuel Pump Wiring patent is the only patent that has been filed.	Oct 13, 1995

SCHEDULE 1(h)(ii) TO SECURITY AGREEMENT

Copyrights, Maskworks and Applications

NONE

DETROIT 60145-86 338181

TRADEMARK
REEL: 1758 FRAME: 0591

SCHEDULE 1(h)(iii) TO SECURITY AGREEMENT

Trademarks, Service Marks and Applications

See Attached Exhibit

DETROIT 60145-86 338185

TRADEMARK
REEL: 1758 FRAME: 0592

EXHIBIT 1.1(c)

TH
CH

Intellectual Property

1. Pumping unit intellectual property, to the extent it exists, is owned by Seller. As noted in Exhibit 1.1, however, under the terms of the Supply Agreement, such pumping unit intellectual property, to the extent it exists, is subject to a purchase option by the Tokheim Corporation under certain conditions.
2. Gilbarco License Agreement. This agreement allows Seller to use paper tear bar (cutter) intellectual property and know-how owned by Gilbarco in Seller's pumps. Seller pays a royalty of \$15 per card reader receipt printer royalty. As noted in various other Exhibits, there are royalty payments due and owing by Seller to Gilbarco under this License Agreement.
3. See Exhibit 1.1 (references to software), which is incorporated herein by reference.
4. See Exhibit 4.7, which is incorporated herein by reference.
5. See Exhibit 4.17, which is incorporated herein by reference.
6. See Exhibit 4.23, which is incorporated herein by reference.

TAT
LUT

EXHIBIT 1.1(d)

Patents, Trademarks, and Copyrights

1. See attached list of Active U.S. Trademarks.
2. See attached list of Active Foreign Trademarks.
3. The following are names and product names used by Seller (which are generally not registered):

Bennett
Bennett Pump Company
Bennett Pump International
Bennett Electronics
Horizon Business Systems
Horizon
Heritage Systems
Heritage Collection
Bennett - The Systems Builder
Multipro
Big Squirt
3700 Series
3900 Series
4000 Series
6000 Series
7000 Series
7800 Series
8000 Series
9000 Series
2200 Series
2300 Series
2400 Series
System I
System III
System V
System VII
Model 410
Model 405
Model 430
Essential Link
The Fleetmasters
Fleetmaster
The Fleet
SB 100
T75

EPZ75
World Class
Petro Pal
Access 400

4. See attached list of Issued Patents and Provisional Patents.

ACTIVE UNITED STATES TRADEMARKS							
FILE	MARK	REG. NO.	RENEWAL	DATE OF LAST CORRESPONDENCE	BPC HAS FILE	APPLICATION	CHECKING STATUS
T-300	BENNETT	507,918	3/22/09	5/19/89	X		
T-305	BENNETT	850951	6/18/08	1/26/90	X		
T-322	MULTI-PRO	1319057	2/12/05	10/24/91	X	X	X
T-324	SYSTEM VII	1873123		5/8/96	X	X	X
T-326	HORIZON 2000	75/043227		12/10/96	X	X	X
T-327	BENNETT + DESIGN	75/043232		12/10/96	X	X	X
T-330	BENNETT + DESIGN	75/204646		1/7/97	X	X	X
T-331	BENNETT + DESIGN (GREEK SUN)	75/230652		2/17/97	X	X	X

ACTIVE FOREIGN TRADEMARKS

FILE	COUNTRY	MARK	REG. NO.	RENEWAL	DATE OF LAST CORRESPONDENCE	BPC HAS FILE	APPLICATION	CHECKING STATUS
FT-301	COLOMBIA	BENNETT	49,091	(A)	3/8/96	X	X	X
FT-305	BENELUX	BENNETT	326,621	(A)	5/8/96	X	X	X
FT-305	CANADA	BENNETT	288,603	3/9/99	12/21/84	X		BP CANADA LTD. REGISTERED USER
FT-305	MEXICO	BENNETT	121,983	(A)	6/4/97	X		
FT-305	SO. AFRICA	BENNETT	B75-4243	8/12/05	4/24/95	X		
FT-305	SO. KOREA	BENNETT	157,735	8/2/98	9/12/88	X		
FT-305	VENEZUELA	BENNETT	80,502-F	12/12/05	5/28/96	X		
FT-305A	SO. AFRICA	BENNETT	SN81/6821	9/15/01	10/21/91	X		
FT-320	PERU	BENNETT	32,925	9/29/04	12/16/96	X	X	
FT-321	CTM	BENNETT	-	(A)	4/29/97	X	X	
FT-321	ISRAEL	BENNETT	102,060	(A)	2/19/97	X		
FT-321	ITALY	BENNETT	648,719	12/22/02	1/23/96	X		
FT-321	SPAIN	BENNETT	192,706	1/30/08	2/7/95	X	X	
FT-321	TAIWAN	BENNETT	85,002,629	(A)	3/4/97	X	X	
FT-321A	THAILAND	BENNETT	324,601	(A)	1/20/97	X		
FT-322	COSTA RICA	BENNETT	69,168	10/19/98	12/28/88	X		
FT-325	SWITZERLAND	BENNETT	321,302	9/13/02	6/7/83	X		
FT-327	FRANCE	BENNETT	1,458,221	3/30/98	11/23/88	X		

TRADEMARK