

09-28-1998

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9-23-98



100840421

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

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

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

09/25/1998 TDM11 00000150 1604521

FOR OFFICE USE ONLY

01 FC:481 40.00 OP
02 FC:482 125.00 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

TRADEMARK
REEL: 1792 FRAME: 0392

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)

<input type="text" value="75/467,828"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75/467,829"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="75/467,838"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1,604,521"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="1,604,522"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="2,059,074"/>	<input type="text"/>	<input type="text"/>

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.

L.C. Waldmann

L.C. Waldmann

09/14/98

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into as of September 11, 1998 (as from time to time amended, modified, restated, supplemented and in effect, this "**Security Agreement**"), by and among **PACE AMERICAN, INC.**, a Delaware corporation (the "**Borrower**" and, together with the Subsidiary Guarantors (as hereinafter defined), sometimes referred to herein as the "**Grantors**"), each **SUBSIDIARY GUARANTOR** which is a party to that Subsidiary Guaranty (the "**Subsidiary Guarantors**") dated as of the date hereof (the "**Subsidiary Guaranty**"), and **LASALLE NATIONAL BANK**, a national banking association, its successors and assigns (the "**Lender**").

RECITALS

A. Pursuant to and upon the terms and conditions set forth in the Credit Agreement dated as of the date hereof between the Borrower and the Lender (as from time to time amended, modified, restated, supplemented and in effect, the "**Credit Agreement**"), and the promissory notes of the Borrower related thereto (the "**Notes**"), the Lender has agreed to make certain secured credit facilities available to the Borrower.

B. Pursuant to and upon the terms and conditions set forth in the Guaranty of Payment and Performance dated as of the date hereof delivered by the Borrower to and for the benefit of the Lender (as from time to time amended, modified, restated, supplemented and in effect, the "**Borrower Guaranty**"), the Borrower has guaranteed the performance of Bender Georgia Family L.P.'s obligations under a certain lease and Pace American of Georgia, Inc.'s obligations under a certain sublease;

C. Pursuant to and upon the terms and conditions set forth in the Subsidiary Guaranty, the Subsidiary Guarantors have guaranteed, jointly and severally, the Obligations of the Borrower under the Credit Agreement, the Notes and the Borrower Guaranty and have agreed to secure their obligations under the Subsidiary Guaranty by signing and delivering to the Lender a counterpart of this Security Agreement.

D. In order to induce the Lender to enter into the Credit Agreement, the Notes and the Borrower Guaranty and in consideration therefor, each of the Grantors have agreed to grant to the Lender, a first, prior and perfected lien on and security interest in all of such Grantor's assets and properties, whether now or hereafter existing, owned or acquired all pursuant to the terms of this Security Agreement, in order to secure (i) the due and punctual payment of (A) the principal and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Notes or the Borrower Guaranty, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) all other monetary obligations, including but not limited to, fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding), of the Borrower under

the Credit Agreement, the Notes and the Borrower Guaranty and the other Loan Documents (collectively, the "**Transaction Documents**") and (C) all other monetary obligations owing by the Borrower to the Lender, whether new, existing or hereafter arising, and (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Transaction Documents, or otherwise owing to the Lender, whether now existing or hereafter arising ((i) and (ii) collectively referred to herein as the "**Secured Obligations**").

E. It is a condition precedent to the entering into of the Transaction Documents by the Lender that the Borrower and each of the Subsidiary Guarantors execute and deliver this Security Agreement. All capitalized terms used in this Security Agreement without definition shall have the meanings ascribed to them in the Credit Agreement.

AGREEMENT

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

ARTICLE I

SECURITY INTEREST

SECTION 1.1 Grant of Security Interest. (A) As security for the Secured Obligations, the Borrower hereby sells, conveys, assigns, pledges and grants a continuing and unconditional security interest to the Lender, its successors and assigns, in and to all of the Borrower's personal property, including without limitation:

(a) all equipment (including all "Equipment" as such term is defined in Section 9-109(2) of the Uniform Commercial Code as in effect on the date hereof in the State of Illinois (the "**Code**"; **provided** that if, by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Illinois, "**Code**" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection), machinery, vehicles, fixtures, improvements, supplies, office furniture, fixed assets, all as now owned or hereafter acquired by the Borrower or in which the Borrower has or hereafter acquires any interest, and any items substituted therefor as replacements and any additions or accessions thereto;

(b) all goods (including all "Goods" as defined in Section 9-105 of the Code) and all inventory (including all "Inventory" as defined in Section 9-109(4) of the Code) of the Borrower, now owned or hereafter acquired by the Borrower or in which the Borrower has or hereafter acquires any interest, including but not limited to, raw materials, scrap inventory, work in process, products, packaging materials, finished goods, all documents of title, chattel paper and other instruments covering the same and all substitutions therefor and additions thereto (all of the property described in this **clause (b)** being hereafter collectively referred to as "**Inventory**");

(c) all present and future accounts in which the Borrower has or hereafter acquires any interest (including all "Accounts" as defined in Section 9-106 of the Code), contract rights (including all rights to receive payments and other rights under all equipment and other leasing contracts) and rights to payment and rights or accounts receivable evidencing or representing indebtedness due or to become due the Borrower on account of goods sold or leased or services rendered, claims, instruments and other general intangibles (including tax refunds, royalties and all other rights to the payment of money of every nature and description), including but not limited to, any such right evidenced by chattel paper, and all liens, securities, guaranties, remedies, security interests and privileges pertaining thereto (all of the property described in this clause (c) being hereinafter collectively referred to as "Accounts");

(d) all general intangibles now owned or hereafter acquired by the Borrower or in which the Borrower has or hereafter acquires any interest, (including all "General Intangibles" as defined in Section 9-106 of the Code) including but not limited to, choses in action and causes of action and all licenses and permits, registrations, franchises, corporate or other business records, systems, designs, software, goodwill, logos, indicia, business identifiers, inventions, processes, production methods, proprietary information, know-how and trade-secrets of the Borrower, and all trade-names, logos, copyrights, patents, trademarks (including service marks) or patent or trademark applications (collectively, "Intellectual Property Rights"), contract rights (including but not limited to all rights to receive payments and other rights under all equipment and other leasing contracts, instruments and documents owned or used by the Borrower), and any goodwill relating thereto (but only to the extent the collateral assignment of any such general intangibles is not prohibited by applicable law);

(e) all insurance policies of any kind maintained in effect by the Borrower, now existing or hereafter acquired, under which any of the property referred to in clauses (a) through (d) above and (f) below is insured, including but not limited to, any proceeds payable to the Borrower pursuant to such policies;

(f) all moneys, cash collateral, chattel paper, checks, notes, bills of exchange, documents of title, money orders, negotiable instruments, commercial paper, and other securities, instruments, documents, deposit accounts (including, but not limited to, any and all lockbox and deposit accounts maintained with the Lender or any affiliate of the Lender), deposits and credits from time to time whether or not in the possession of or under the control of the Lender, and all certificates of deposit of the Borrower or in which the Borrower has any interest, and any and all renewals and/or replacements thereof, and all sums (including interest) now or hereafter payable hereon;

(g) to the extent assignment thereof is now or hereafter permitted by the terms thereof, all right, title and interest in and to all material agreements relating to the purchase of products manufactured by the Borrower in the course of the Borrower's business operations;

(h) all right, title and interest of the Borrower in all notes payable to Borrower from any person or entity; and

(i) all other property owned by the Borrower or in which the Borrower has or hereafter acquires any interest, wherever located, and of whatever kind or nature, tangible or intangible;

(j) any consideration received when all or any part of the property referred to in clauses (a) through (i) above is sold, transferred, exchanged, leased, collected or otherwise disposed of, or any value received as a consequence of possession thereof, including but not limited to, all products, proceeds (including all "Proceeds" as defined in Section 9-306(1) of the Code), cash, negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or other documents, insurance proceeds or proceeds of other proceeds now or hereafter owned by the Borrower or in which the Borrower has an interest.

The property set forth in clauses (a) through (j) of the preceding sentence, together with property of a similar nature which the Borrower hereafter owns or in which the Borrower hereafter acquires any interest, is referred to herein as the "Borrower Collateral."

(B) As security for the Secured Obligations, each Subsidiary Guarantor hereby sells, conveys, assigns, pledges and grants a continuing and unconditional security interest to the Lender, its successors and assigns, in and to all of such Subsidiary Guarantor's personal property, including without limitation:

(a) all equipment (including all "Equipment" as such term is defined in Section 9-109(2) of the Uniform Commercial Code as in effect on the date hereof in the State of Illinois (the "Code"; provided that if, by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Illinois, "Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection), machinery, vehicles, fixtures, improvements, supplies, office furniture, fixed assets, all as now owned or hereafter acquired by such Subsidiary Guarantor or in which such Subsidiary Guarantor has or hereafter acquires any interest, and any items substituted therefor as replacements and any additions or accessions thereto;

(b) all goods (including all "Goods" as defined in Section 9-105 of the Code) and all inventory (including all "Inventory" as defined in Section 9-109(4) of the Code) of such Subsidiary Guarantor, now owned or hereafter acquired by such Subsidiary Guarantor or in which such Subsidiary Guarantor has or hereafter acquires any interest, including but not limited to, raw materials, scrap inventory, work in process, products, packaging materials, finished goods, all documents of title, chattel paper and other instruments covering the same and all substitutions therefor and additions thereto (all of the property described in this clause (b) being hereafter collectively referred to as "Inventory");

(c) all present and future accounts in which such Subsidiary Guarantor has or hereafter acquires any interest (including all "Accounts" as defined in Section 9-106 of the Code), contract rights (including all rights to receive payments and other rights under all equipment and other leasing contracts) and rights to payment and rights or accounts receivable evidencing or representing indebtedness due or to become due such Subsidiary Guarantor on account of goods sold or leased or services rendered, claims, instruments and other general intangibles (including

tax refunds, royalties and all other rights to the payment of money of every nature and description), including but not limited to, any such right evidenced by chattel paper, and all liens, securities, guaranties, remedies, security interests and privileges pertaining thereto (all of the property described in this clause (c) being hereinafter collectively referred to as "Accounts");

(d) all general intangibles now owned or hereafter acquired by such Subsidiary Guarantor or in which such Subsidiary Guarantor has or hereafter acquires any interest, (including all "General Intangibles" as defined in Section 9-106 of the Code) including but not limited to, choses in action and causes of action and all licenses and permits, registrations, franchises, corporate or other business records, systems, designs, software, goodwill, logos, indicia, business identifiers, inventions, processes, production methods, proprietary information, know-how and trade-secrets of such Subsidiary Guarantor, and all trade-names, logos, copyrights, patents, trademarks (including service marks) or patent or trademark applications (collectively, "Intellectual Property Rights"), contract rights (including but not limited to all rights to receive payments and other rights under all equipment and other leasing contracts, instruments and documents owned or used by such Subsidiary Guarantor), and any goodwill relating thereto (but only to the extent the collateral assignment of any such general intangibles is not prohibited by applicable law);

(e) all insurance policies of any kind maintained in effect by such Subsidiary Guarantor, now existing or hereafter acquired, under which any of the property referred to in clauses (a) through (d) above and (i) below is insured, including but not limited to, any proceeds payable to such Subsidiary Guarantor pursuant to such policies;

(f) all moneys, cash collateral, chattel paper, checks, notes, bills of exchange, documents of title, money orders, negotiable instruments, commercial paper, and other securities, instruments, documents, deposit accounts (including, but not limited to, any and all lockbox and deposit accounts maintained with the Lender or any affiliate of the Lender), deposits and credits from time to time whether or not in the possession of or under the control of the Lender, and all certificates of deposit of such Subsidiary Guarantor or in which such Subsidiary Guarantor has any interest, and any and all renewals and/or replacements thereof, and all sums (including interest) now or hereafter payable hereon;

(g) to the extent assignment thereof is now or hereafter permitted by the terms thereof, all right, title and interest in and to all material agreements relating to the purchase of products manufactured by such Subsidiary Guarantor in the course of such Subsidiary Guarantor's business operations;

(h) all right, title and interest of such Subsidiary Guarantor in all notes payable to such Subsidiary Guarantor from any person or entity; and

(i) all other property owned by such Subsidiary Guarantor or in which such Subsidiary Guarantor has or hereafter acquires any interest, wherever located, and of whatever kind or nature, tangible or intangible;

(j) any consideration received when all or any part of the property referred to in clauses (a) through (i) above is sold, transferred, exchanged, leased, collected or otherwise

disposed of, or any value received as a consequence of possession thereof, including but not limited to, all products, proceeds (including all "Proceeds" as defined in Section 9-306(1) of the Code), cash, negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or other documents, insurance proceeds or proceeds of other proceeds now or hereafter owned by such Subsidiary Guarantor or in which such Subsidiary Guarantor has an interest.

The property set forth in clauses (a) through (j) of the preceding sentence, together with property of a similar nature which such Subsidiary Guarantor hereafter owns or in which such Subsidiary Guarantor hereafter acquires any interest, is referred to herein as the "Subsidiary Collateral."

(C) "Collateral" means (i) when used with respect to the Borrower, all personal property of the Borrower in which the Borrower grants a security interest to the Lender pursuant to Section 1.1(A), including, without limitation, the Borrower Collateral, (ii) when used with respect to a Subsidiary Guarantor, all property of such Subsidiary Guarantor in which it grants a security interest to the Lender pursuant to Section 1.1(B), including, without limitation, the Subsidiary Collateral, and (iii) when used in a general sense, all of the foregoing property or, if the context so requires, any part thereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.1 Representations and Warranties. Each Grantor represents, warrants and agrees that:

(a) such Grantor has and shall have absolute, good and exclusive title to all of its Collateral, wherever and whenever acquired, free and clear of any Lien, other than Permitted Liens, and such Grantor has not filed a financing statement under the Code (or similar statement or instrument of registration under the law of any jurisdiction) covering any of its Collateral other than in respect of Permitted Liens;

(b) such Grantor has paid or will pay when due all taxes, fees, assessments and other charges now or hereafter imposed upon its Collateral except for any tax, fee, assessment or other charge the validity of which is being contested in good faith by appropriate proceedings and with respect to which such Grantor has set aside on its books adequate reserves with respect thereto, and which may not result in any material impairment of the Lender's Lien on such Collateral;

(c) as a result of the execution and delivery of this Security Agreement and the filing of any financing statements or other documents necessary to assure, preserve and perfect the security interest created hereby, the Lender shall have, except for Permitted Liens and as set forth on Schedule 2 hereto, a valid, perfected, enforceable first-priority lien on, and a continuing security interest in, the Collateral of such Grantor, enforceable and superior as such as against creditors and purchasers (other than purchasers of Inventory in the ordinary course of business) and as against any owner of real property where any of the equipment or Inventory is located and as against any purchaser of such real property and any present or future creditor obtaining a mortgage or other lien on such real property, and such lien shall be superior and prior to all other Liens other than Permitted Liens and as set forth on Schedule 2 hereto;

(d) the amount that has been or that shall be represented by such Grantor to the Lender from time to time as owing by all obligors (such obligors being hereinafter referred to as the "Account Debtors") in the aggregate with respect to Accounts has not and will not materially deviate from the correct amount actually and unconditionally owing at such time by such Account Debtors; all Accounts of such Grantor represent bona fide transactions completed in accordance with the terms and provisions contained in the invoices and other documents evidencing the same; to such Grantor's knowledge, all Account Debtors of such Grantor have the capacity to contract and are solvent; the goods giving rise to Accounts are not subject to any lien, claim or encumbrance, except in favor of the Lender and except for Permitted Liens; and such Grantor has no knowledge of any fact or circumstances which would impair the validity or collectibility of Accounts of such Grantor;

(e) such Grantor has not changed its name since the date of its formation and incorporation and during such period such Grantor did not use, nor does such Grantor now use any fictitious or trade name, except for the names set forth on Schedule 1A hereto;

(f) the location of the chief executive office of such Grantor and all locations where such Grantor maintains records with respect to its contract rights and Accounts are set forth on Schedule 1B hereto;

(g) all locations where such Grantor stores or processes raw material, work in process, finished goods and inventory are set forth on Schedule 1C hereto;

(h) all locations where such Grantor keeps machinery and equipment are set forth on Schedule 1C hereto;

(i) all Intellectual Property Rights material to such Grantor's business are set forth on Schedule 1D hereto; and

(j) none of the Collateral of such Grantor is held by a third party in any location as assignee, trustee, bailee, consignee or in any similar capacity.

SECTION 2.2 Survival. All representations, warranties and agreements of each Grantor contained in this Security Agreement shall survive the execution, delivery and performance of this Security Agreement until the termination of this Security Agreement pursuant to Section 5.5 hereof.

ARTICLE III

COVENANTS

SECTION 3.1 Covenants. Each Grantor hereby covenants and agrees with the Lender that so long as this Security Agreement shall remain in effect or any Secured Obligations shall remain unpaid or unperformed: (a) it shall promptly give written notice to the Lender of any levy or attachment, execution or other process against any of the Collateral; (b) at its own cost and expense, it shall take any and all actions reasonably necessary or desirable to defend the Collateral against the claims and demands of all Persons other than the Lender to defend the security interest of the Lender in the Collateral and the

priority thereof against any adverse Lien of any nature other than Permitted Liens; (c) it shall keep all tangible Collateral properly insured and in good order and repair and immediately notify the Lender of any event causing any material loss, damage or depreciation in value of the Collateral and of the extent of such loss, damage or depreciation; (d) it shall mark any Collateral which is chattel paper with a legend showing the Lender's lien and security interest therein and shall promptly deliver such Collateral which is chattel paper to the Lender; (e) it shall promptly give written notice to the Lender of any change in the Intellectual Property Rights material to its business set forth on Schedule 1D hereto; and (f) it shall not: amend or terminate any contract or other document or instrument constituting part of the Collateral, except for transactions in the ordinary course of business substantially consistent with past practice; voluntarily or involuntarily exchange, lease, sell, transfer or otherwise dispose of any Collateral except in the ordinary course of business; make any compromise, settlement, discharge or adjustment or grant any extension of time for payment with respect to any Account or any Lien, guaranty or remedy pertaining thereto, except for transactions in the ordinary course of business substantially consistent with past practice; change its name or use any fictitious or trade name without complying with the requirements of Section 5.1 hereof; change the location of its chief executive office without complying with the requirements of Section 5.1 hereof; or permit any of the Collateral (other than Collateral which constitutes goods which are mobile and which are of a type normally used in more than one jurisdiction) to be removed from or located in any place not identified as the location of such Collateral on Schedule 1C, as the case may be, except after written notice to the Lender and compliance with such procedures as the Lender may reasonably impose to prevent any interruptions or discontinuity in the security interest granted pursuant to this Security Agreement.

ARTICLE IV

REMEDIAL MATTERS

SECTION 4.1 Powers of Attorney. (a) Each Grantor hereby irrevocably appoints the Lender (and any officer or agent of the Lender) as its true and lawful attorney-in-fact, with power of substitution for and in the name of the Lender or otherwise, for the use and benefit of the Lender: (i) to receive, endorse the name of such Grantor upon, and deliver, any notes, acceptances, checks, drafts, money orders or other evidences of payment that may come into the possession of the Lender with respect to the Collateral; (ii) upon the occurrence of an Event of Default and during the continuance thereof, to cause such Grantor's mail to be transferred to the Lender's own offices and to receive and open all mail addressed to such Grantor for the purposes of removing any such notes, acceptances, checks, drafts, money orders or other evidences of payment; (iii) to demand, collect and receive payment in respect of the Collateral and to apply any such payments directly to the payment of the Secured Obligations in accordance with Section 4.5 hereof; (iv) upon an Event of Default and during the continuance thereof, to receive and give discharges and releases of all or any of the Collateral; (v) upon an Event of Default and during the continuance thereof, to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction, to collect or otherwise realize on all or any part of the Collateral or to enforce any rights in respect thereof; (vi) to sign the name of the relevant Grantor on any invoice or bill of lading relating to any of the Collateral; (vii) to send verification of any Accounts to any Account Debtor or customer; (viii) upon an Event of Default and during the continuance thereof, to notify any Account Debtor or other obligor of such Grantor with respect to any Collateral to make payment to the Lender; (ix) upon an Event of Default and during the continuance thereof, to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating or pertaining to all

or any of the Collateral; (x) upon an Event of Default and during the continuance thereof, to take any action for purposes of carrying out of the terms of this Security Agreement; (xi) upon an Event of Default and during the continuance thereof, to enforce all of such Grantor's rights and powers under and pursuant to any and all agreements with respect to the Collateral; and (xii) upon an Event of Default and during the continuance thereof, generally to sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out this Security Agreement, as fully and completely as though the Lender were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the Lender to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Lender, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken by the Lender or omitted to be taken with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of such Grantor or to any claim or action against the Lender, except to the extent of the Lender's gross negligence or willful misconduct. It is understood and agreed that the power of attorney granted to the Lender for the purposes set forth above in this Section 4.1 is coupled with an interest and is irrevocable and each Grantor hereby ratifies all actions taken by its attorney-in-fact by virtue hereof. The provisions of this Section 4.1 shall in no event relieve any of the Grantors of any of its obligations hereunder or under any of the Transaction Documents with respect to the Collateral or any part thereof or impose any obligation on the Lender to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Lender of any other or further right which it may have on the date of this Security Agreement or hereafter, whether hereunder, under any of the Transaction Documents, by law or otherwise.

(b) The Lender shall not, under any circumstance or in any event whatsoever, have any liability for any shortage, damage, loss or destruction of any part of the Collateral, nor shall the Lender have any liability for any error or omission or delivery of any kind incurred in the good faith settlement, collection or payment of any of the Collateral or of any monies received in payment therefor or for any damages resulting therefrom, except on account of the Lender's gross negligence or willful misconduct, nor shall this Security Agreement impose upon the Lender any obligation to perform any obligation with respect to the Collateral. The costs of collection, notification and enforcement, including but not limited to, attorneys' fees and out-of-pocket expenses, shall be borne solely by the Grantors, jointly and severally, whether the same are incurred by the Grantors or the Lender.

SECTION 4.2 Collections. Upon the occurrence and during the continuance of an Event of Default, the Lender may, in its sole discretion, in its name or in the name of the relevant Grantor, or otherwise, (a) demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement deemed desirable with respect to, any of the Collateral, but shall be under no obligation to do so, or (b) extend the time of payment, arrange for payment in installments, or otherwise modify the term of, or release, any of the Collateral, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, any Grantor, other than to discharge any such Grantor in so doing with respect to liabilities of such Grantor to the extent that the liabilities are paid or repaid. After the occurrence and during the continuance of an Event of Default, any money, checks, notes, bills, drafts, or commercial paper received by any Grantor shall be held in trust for the Lender and shall be promptly turned over to the Lender. The Lender may make such payments and take such actions as the Lender, in its sole discretion, deems necessary to protect its security interest in the Collateral or the value thereof, and the Lender is hereby

unconditionally and irrevocably authorized (without limiting the general nature of the authority hereinabove conferred) to pay, purchase, contest or compromise any Liens which in the judgment of the Lender appear to be equal to, prior to or superior to its security interest in the Collateral and any Liens not expressly permitted by this Security Agreement or the Transaction Documents.

SECTION 4.3 Possession; Sale of Collateral. (a) Upon the occurrence and during the continuance of an Event of Default, the Lender may (i) require each Grantor to assemble the tangible assets which comprise part of the Collateral and make them available to the Lender at any place or places reasonably designated by the Lender, (ii) with or without notice or demand for performance and without liability for trespass, enter any premises where the Collateral may be located and take possession of the same, and may demand and receive such possession from any person who has possession thereof, and may take such measures as it may deem necessary or proper for the care or protection thereof, including but not limited to, the right to remove all or any portion of the Collateral, and (iii) with or without taking such possession may sell or cause to be sold, in one or more sales or parcels, for cash, on credit or for future delivery, without assumption of any credit risk, all or any portion of the Collateral, at public or private sale or at any broker's board or any securities exchange, without demand of performance or notice of intention to sell or of time or place of sale, except ten (10) days' written notice to any Grantor of the time and place of such sale or sales (and such other notices as may be required by applicable statute, if any, and which cannot be waived), which each Grantor hereby expressly acknowledges is commercially reasonable. The Collateral may be sold or disposed of for cash, upon credit or for future delivery as the Lender shall deem appropriate. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which each Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Lender may (in its sole and absolute discretion) determine. The Lender shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Lender until the sale price is paid by the purchaser or purchasers thereof, but the Lender shall not incur any liability for the failure to collect or realize upon any or all of the Collateral or for any delay in doing so and, in case of any such failure, shall not be under any obligation to take any action with respect thereto; provided, however, that such Collateral may be sold again upon like notice. At any public sale made pursuant to this **Section 4.3**, the Lender may bid for or purchase, free from any right of redemption, stay or appraisal and all rights of marshalling the Collateral and any other security for the Secured Obligations or otherwise on the part of the Grantors (all said rights being also hereby waived and released by each Grantor to the fullest extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to the Lender from the Grantors as a credit against the purchase price, and the Lender may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantors therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Lender shall be free to carry out such sale pursuant to such agreement, and the Grantors shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Lender shall have entered into such an agreement, all Events of

Default shall have been remedied and any obligations to the Lender shall have been paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Lender may proceed by a suit or suits at law or in equity to foreclose this Security Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. In any action hereunder the Lender shall be entitled to the appointment of a receiver, to take possession of all or any portion of the Collateral and to exercise such powers as the court shall confer upon the receiver. Notwithstanding the foregoing, if an Event of Default shall occur and be continuing, the Lender shall be entitled to apply, without notice to the Grantors, any cash or cash items constituting Collateral in its possession to payment of the Secured Obligations.

(b) If an Event of Default shall occur and be continuing, the Lender shall, in addition to exercising any and all rights and remedies afforded to it hereunder, have all the rights and remedies of a secured party under all applicable provisions of law, including but not limited to, the Code.

(c) Each Grantor agrees that notwithstanding anything to the contrary contained in this Security Agreement, each Grantor shall remain liable under each contract or other agreement giving rise to its Accounts and general intangibles and all other contracts or agreements constituting part of the Collateral and the Lender shall not have any obligation or liability in respect thereof.

(d) After the occurrence and during the continuance of an Event of Default, upon the Lender's request, each Grantor shall deliver to the Lender all original and other documents, evidencing and relating to the sale and delivery of Inventory or Accounts, including but not limited to, all original orders, invoices and shipping receipts. Each Grantor shall also furnish to the Lender, promptly upon the request of the Lender, such reports, reconciliations and aging balances regarding its Accounts as the Lender may request from time to time.

SECTION 4.4 Event of Default. An Event of Default shall exist hereunder (a) if an Event of Default shall have occurred and be continuing under any of the Transaction Documents or (b) if any Grantor shall breach any agreement contained herein or otherwise default in the observance or performance of any of the covenants, terms, conditions or agreements on the part of such Grantor contained in this Security Agreement and, with respect to nonmonetary covenants, terms, conditions or agreements, such non-observance or non-performance continues for a period of thirty (30) days after the earlier of (i) written notice from the Lender of such default or (ii) actual knowledge by such Grantor of such default. All cure periods in this **Section 4.4** shall run concurrently with any period allowed with respect to any default under any of the Transaction Documents.

SECTION 4.5 Application of Proceeds. Unless the Lender otherwise directs pursuant to any of the Transaction Documents, the proceeds of any sale of Collateral pursuant to this Security Agreement, as well as any Collateral consisting of cash, shall be applied after receipt by the Lender as follows:

First, to the payment of all reasonable costs, fees and expenses of the Lender and its agents, representatives and attorneys incurred in connection with such sale or with the retaking, holding, handling, preparing for sale (or other disposition) of the Collateral or otherwise in connection with this Security Agreement, the Credit Agreement, the Notes, the Borrower Guaranty or any of the Secured Obligations, including but not limited to, the fees and expenses

of the Lender's agents and attorneys and court costs (whether at trial, appellate or administrative levels), if any, incurred by the Lender in so doing;

Second, to the payment of the outstanding principal balance and accrued interest and fees on the Secured Obligations as set forth in the Transaction Documents;

Third, to pay all Secured Obligations payable by the Borrower under the Transaction Documents, and if such proceeds are insufficient to satisfy the Secured Obligations in whole, then to the payment of the Secured Obligations ratably according to the amount then due, without discrimination or preference; and

Fourth, to the Borrower or to such other Person as a court may direct.

SECTION 4.6 Authority of Lender. The Lender shall have and be entitled to exercise all such powers hereunder as are specifically delegated to the Lender by the terms hereof, together with such powers as are reasonably incidental thereto. The Lender may execute any of its duties hereunder by or through its agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its duties hereunder.

SECTION 4.7 Certain Waivers; Grantors Not Discharged. Each Grantor expressly and irrevocably waives (to the extent permitted by applicable law) presentment, demand of payment and protest of nonpayment in respect of its Secured Obligations under this Security Agreement. The obligations and duties of each Grantor hereunder are irrevocable, absolute, and unconditional and shall not be discharged, impaired or otherwise affected by (a) the failure of the Lender to assert any claim or demand or to enforce any right or remedy against any Grantor or any grantee under the provisions of this Security Agreement, the other Transaction Documents or any waiver, consent, extension, indulgence or other action or inaction in respect thereof, (b) any extension or renewal of any part of the Secured Obligations, (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Security Agreement, the other Transaction Documents or of any agreement related thereto, (d) the release of any liens on or security interests in any part of the Collateral or the release, sale or exchange of or failure to foreclose against any security held by or for the benefit of the Lender for payment or performance of the Secured Obligations, (e) the bankruptcy, insolvency or reorganization of any Grantor or any grantee or any other Person, (f) the invalidity or unenforceability of this Security Agreement, or any of the other Transaction Documents, (g) any change, restructure or termination of the corporate structure or existence of any Grantor or any grantee or any restructuring or refinancing of all or any portion of the Secured Obligations, or (h) any other event which under law would discharge the obligations of a surety.

SECTION 4.8 Transfer of Security Interest. The Lender may transfer to any other Person all or any part of the liens and security interests granted hereby, and all, or any part of the Collateral which may be in the Lender's possession after the occurrence and during the continuance of an Event of Default or, if to a successor Lender in accordance with the Transaction Documents, at any time. Upon such transfer, the transferee shall be vested with all the rights and powers of the Lender hereunder with respect to such of the Collateral as is so transferred, but, with respect to any of the Collateral not so transferred, the Lender shall retain all of its rights and powers (whether given to it in this Security Agreement, or otherwise). The Lender may, at any time, assign its rights as the secured party hereunder to any Person, in the Lender's discretion, and upon notice to the Grantors, but without any requirement for consent or

approval by or from any Grantor, and any such assignment shall be valid and binding upon the Grantors, as fully as if each Grantor had expressly approved the same.

ARTICLE V

MISCELLANEOUS

SECTION 5.1 Further Assurances. Each Grantor agrees, at its expense, to do such further things, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Lender may from time to time reasonably request for the better assuring and preserving of the security interests and the rights and remedies created hereby, including but not limited to, the execution and delivery of such additional conveyances, assignments, agreements and instruments, the payment of any fees and taxes required in connection with the execution and delivery of this Security Agreement, the granting of the security interests created hereby and the execution, filing and recordation of any financing statements (including fixture filings) or other documents as the Lender may deem reasonably necessary or desirable for the perfection of the security interests granted hereunder. Each Grantor hereby authorizes the Lender, as a secured party under the Code, to file financing statements or continuation statements signed only by the Lender, and agrees to pay all expenses in connection with any such filing. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Lender, duly endorsed in a manner satisfactory to the Lender. If at any time any Grantor shall take and perfect a security interest in any property to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Lender. Each Grantor agrees to notify the Lender thirty (30) days prior to any change (a) in its corporate name, (b) in the location of its chief executive office, (c) in its chief place of business, (d) in the location of any Inventory (other than changes between the locations set forth on Schedule 1C) or (e) in the office or offices where it keeps its records relating to the Collateral. Each Grantor agrees that, after the occurrence and during the continuance of an Event of Default, it shall, upon request of the Lender, take any and all actions, to the extent permitted by applicable law, at its own expense, to obtain the approval of any governmental authority for any action or transaction contemplated by this Security Agreement which is then required by law, and specifically, without limitation, upon request of the Lender, to prepare, sign and file with any governmental authority such Grantor's portion of any application or applications for consent to the assignment of licenses held by such Grantor, or for consent to the possession and sale of any of the Collateral by or on behalf of the Lender. Each Grantor further agrees that it shall at all times, at its own expense and cost, keep accurate and complete records with respect to the Collateral, including but not limited to, a record of all payments and proceeds received in connection therewith or as a result of the sale thereof and of all credits granted, and agrees that the Lender or its representatives shall have the right at any reasonable time and from time to time to call at such Grantor's place or places of business to inspect the Collateral and to examine or cause to be examined all of the books, records, journals and other data relating to the Collateral and to make extracts therefrom or copies thereof as are reasonably requested.

SECTION 5.2 Effectiveness. This Security Agreement shall take effect immediately upon execution by the Borrower, the Subsidiary Guarantors and the Lender.

SECTION 5.3 Indemnity; Reimbursement of Lender; Deficiency. In connection with the Collateral, this Security Agreement and the administration and enforcement or exercise of any right or remedy granted to the Lender hereunder or under any of the Transaction Documents, each Grantor agrees, jointly and severally, (a) to indemnify and hold harmless the Lender from and against any and all claims, demands, losses, judgments and liabilities (including but not limited to, liabilities for penalties) of whatever nature, relating thereto or resulting therefrom, and (b) to reimburse the Lender for all reasonable costs and expenses, including but not limited to, the fees and disbursements of attorneys, relating thereto or resulting therefrom. The foregoing indemnity agreement includes all reasonable costs incurred by the Lender in connection with any litigation relating to the Collateral whether or not the Lender shall be a party to such litigation, including but not limited to, the fees and disbursements of attorneys for the Lender, and any out-of-pocket costs incurred by the Lender in appearing as a witness or in otherwise complying with legal process served upon it. In no event shall the Lender be liable, in the absence of gross negligence or willful misconduct on its part, for any matter or thing in connection with this Security Agreement other than to account for moneys actually received by it in accordance with the terms hereof and each Grantor hereby releases the Lender from any and all claims, causes of action and demands at anytime arising out of or with respect to this Security Agreement, the other Transaction Documents or the Collateral, except for actions comprising Lender's gross negligence or willful misconduct. All indemnities contained in this Agreement shall survive the expiration or earlier termination of this Security Agreement. After application of the proceeds by the Lender pursuant to Section 4.5 hereof, each Grantor, jointly and severally, shall remain liable to the Lender for any deficiency.

SECTION 5.4 Continuing Lien. It is the intent of the parties hereto, that (a) this Security Agreement shall constitute a continuing agreement as to any and all future, as well as existing transactions, between the Borrower, the Subsidiary Guarantors and the Lender under or in connection with any of the Transaction Documents, and (b) the security interest provided for herein shall attach to after-acquired as well as existing Collateral and the Secured Obligations covered by this Security Agreement shall include any future advances under or in connection with any of the Transaction Documents.

SECTION 5.5 Termination. Upon payment in full of all Secured Obligations, termination of all commitments relating thereto, the Lender shall reassign and redeliver (or cause to be so reassigned and redelivered), without recourse upon or warranty by the Lender, and at the sole expense of the Grantors, jointly and severally, to the relevant Guarantor, against receipt therefor, such of the Collateral (if any) as shall not have been sold or otherwise applied by the Lender pursuant to the terms hereof and not theretofore reassigned and redelivered to the relevant Grantor, together with appropriate instruments of reassignment and release.

SECTION 5.6 Notices. Any notice hereunder shall be conclusively deemed to have been received by a party hereto and be effective in the manner set forth in the Credit Agreement or the Subsidiary Guaranty.

SECTION 5.7 Successors and Assigns. Whenever in this Security Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Lender that are contained in this Security Agreement shall bind and inure to the benefit of its respective successors and assigns. None of

the Grantors may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender.

SECTION 5.8 APPLICABLE LAW. THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO ILLINOIS CHOICE OF LAW DOCTRINE.

SECTION 5.9 Waivers. No failure or delay of the Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender hereunder are cumulative and not exclusive of any rights or remedies which it would otherwise have. No waiver of any provision of this Security Agreement or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be authorized as provided in **Section 5.10**, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Grantor in any case shall entitle such Grantor or any other Grantor to any other or further notice or demand in similar or other circumstances.

SECTION 5.10 Amendments. Neither this Security Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Grantors and the Lender.

SECTION 5.11 Severability. In the event any one or more of the provisions contained in this Security Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby.


SECTION 5.12 Counterparts. This Security Agreement may be executed in two counterparts, each of which shall constitute an original, but all of which when taken together shall constitute but one contract, and shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall be delivered or mailed to the Lender.

SECTION 5.13 Headings. Article and Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Security Agreement.


SECTION 5.14 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, OR REMEDY UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT AND AGREES THAT ANY SUCH ACTION SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE TERMS AND PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS SECURITY AGREEMENT.

IN WITNESS WHEREOF, the Borrower, each Subsidiary Guarantor and the Lender have executed this Security Agreement as of the date first above written.


PACE AMERICAN, INC.

By: 
Its: _____


PACE AMERICAN OF INDIANA, INC.

By: 
Its: _____


PACE AMERICAN OF GEORGIA, INC.

By: 
Its: _____


PACE AMERICAN OF UTAH, INC.

By: 
Its: _____


PACE AMERICAN OF TEXAS, INC.

By: 
Its: _____

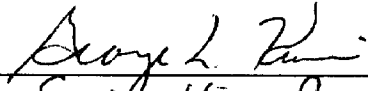
PACE AMERICAN TRANSPORT, INC.

By: 
Its: _____

PAIR CORPORATION

By: 
Its: _____

LASALLE NATIONAL BANK

By: 
Its: Senior Vice President

SCHEDULE 1**SECURITY AGREEMENT****A. CHANGE OF NAME AND FICTITIOUS OR TRADE NAMES FOR EACH GRANTOR:**

NONE

B. CHIEF EXECUTIVE OFFICE AND LOCATION OF BOOKS AND RECORDS FOR EACH GRANTOR:

11550 Harter Drive (for Pace American, Inc.
Middlebury, Indiana 46540 and all subsidiaries)

C. LIST OF ALL LOCATIONS WHERE EACH GRANTOR STORES OR PROCESSES RAW MATERIALS (IF ANY), WORK IN PROCESS (IF ANY), FINISHED GOODS (IF ANY) AND INVENTORY AND KEEPS MACHINERY AND EQUIPMENT

<u>Name of Grantor</u>	<u>Location</u>	<u>County</u>	<u>State</u>	<u>Country</u>
Pace American of Indiana, Inc.	11550 Harter Drive Middlebury, IN 46540	Elkhart	Indiana	USA
Pace American of Indiana, Inc.	11550 Harter Drive Middlebury, IN 46540	Elkhart	Indiana	USA
Pace American of Texas, Inc.	2290 McGuffey Road McGregor, TX 76657	McClennen	Texas	USA
Pace American of Georgia, Inc.	204 Industrial Blvd. Eastman, GA 31023	Dodge	Georgia	USA
Pace American of Georgia, Inc.	223 Rip Wiley Rd. Fitzgerald, GA 31750	Ben Hill	Georgia	USA
Pace American of Georgia, Inc. (see attached Exhibit A to Schedule 1)	Approx. 25A of land w/o improvements (no address)	Ben Hill	Georgia	USA
Pace American of Utah, Inc.	210 N. Highway 91 Hurricane, UT 84737	Washington	Utah	USA

D. INTELLECTUAL PROPERTY RIGHTS**Registered Trademarks:**

<u>Our File</u>	<u>Registration Number</u>	<u>Mark</u>
PAC04 T-300	1,604,521	"P" Design
PAC04 T-301	1,604,522	PACE AMERICAN
PAC04 T-302	2,059,074	RALLYE

SCHEDULE 1

SECURITY AGREEMENT

D. INTELLECTUAL PROPERTY RIGHTS (CONTINUED)

Pending Trademarks:

<u>Our File</u>	<u>Filing Date</u>	<u>Serial Number</u>	<u>Mark</u>
PAC04 T-303	April 14, 1998	75/467,828	CONQUEST
PAC04 T-304	April 14, 1998	75/467,829	CARGOSPORT
PAC04 T-305	April 14, 1998	75/467,838	WORKSPORT

Pending Patent Applications:

<u>Our File</u>	<u>Filing Date</u>	<u>Serial Number</u>	<u>Title</u>
PAC04 P-100	May 22, 1998	09/084,123	Device For Preventing Infiltration of Fluids And Particulates Within The Interior Of A Trailer

EXHIBIT A TO SCHEDULE 1

002129

GEORGIA, BEN HILL COUNTY
FILED 8-18-97
TIME 2:00 P.
Laverne D. Wheeler
CLERK SUPERIOR COURT

GEORGIA, BEN HILL COUNTY
FILED 8-18-97
TIME 2:00 P.
Laverne D. Wheeler
CLERK SUPERIOR COURT

AFTER RECORDING, PLEASE RETURN TO: JAY, SHERRELL & SMITH, P.C.
P. O. BOX 308
FITZGERALD, GA 31750

WARRANTY DEED

GEORGIA,
BEN HILL COUNTY.

P-6054

THIS INDENTURE, MADE THIS 8th day of August, 1997, between FORWARD FITZGERALD, INC., and FITZGERALD FIRST, INC., Georgia corporations with their principal offices and places of business in the City of Fitzgerald, Ben Hill County, Georgia, of the first part, and PACE AMERICAN OF GEORGIA, INC., a corporation authorized to do business in the State of Georgia, of the second part,

(SEE FILE STAMP 7 630-2)

WITNESSETH: that the said parties of the first part, for and in consideration of the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell and convey unto the said party of the second part, its successors and assigns, the following described property:

A tract of land containing 14.00 acres in Land Lots Nos. 265 and 266 in the City of Fitzgerald, Ben Hill County, Georgia, as shown by plat of survey of Darrell Weeks, Georgia Registered Land Surveyor, dated August 8, 1997, and which said plat is made a part hereof by reference thereto. Said lands are particularly described as beginning at a point on the west line of said Land Lot No. 265 and which said point is herein referred to as the Point of Beginning and which said Point of Beginning is located south 00 degrees 08 minutes 33 seconds west 1,244.43 feet from the intersection of the west line of said Land Lot 265 with the south right of way line of Seaboard Road; and thence from said Point of Beginning south 00 degrees 08 minutes 33 west 1,206.00 along the west line of said Land Lots 265 and 266 to an established corner; thence south 85 degrees 12 minutes 54 seconds east 463.80 feet to the west right of way line of Seaboard Road; thence north 03 degrees 32 minutes 39 seconds east 1,110.70 feet along the west right of way line of said; thence continuing along the curve of the west right of way line of said road 130.22 feet, the delta of said curve being 34 degrees 30 minutes 26 seconds, the tangent of said curve being 199 feet, and the radius of said curve being 640.74 feet, to an established corner; thence north 89 degrees 19 minutes 04 seconds west 522.51 feet to the Point of Beginning above referred to.

The parties of the first part agree to pay 1997 property taxes on the above-described property when said taxes fall due.

No agricultural allotments, allocations or bases are conveyed by this deed.

This deed is executed subject to all existing utility lines, easements and rights of way.

Recorded August 18th, 1997

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by: Laverne D. Wheeler, Clerk

TRADEMARK

REEL: 1792 FRAME: 0413

TO HAVE AND TO HOLD, the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in any wise appertaining to the only proper use, benefit and behoof of the said party of the second part, its successors and assigns, in fee simple.

AND THE SAID parties of the first part will warrant and forever defend the right and title of the above-described property unto the said party of the second part, against the claims of all persons whomsoever.

IN WITNESS WHEREOF, the undersigned, acting by and through its proper corporate officers, have hereunto caused their names to be set and their corporate seals to be affixed, on the day and year first aforesaid.

FORWARD FITZGERALD, INC.

By: David Y. Sims
David Y. Sims, President

Attest: Clayton Jay, Jr.
Clayton Jay, Jr., Secretary

Signed, sealed and delivered by Forward Fitzgerald, Inc., in the presence of:

Walter Z Butler
Unofficial witness

Anna Taylor
NOTARY PUBLIC
My commission expires: 11/2001
Date of notarization: 9-8-98

[CORPORATE SEAL]



[NOTARY SEAL]

FITZGERALD FIRST, INC.

By: David N. Sims
David N. Sims, Vice-President

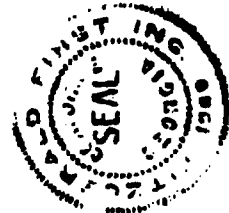
Attest: Clayton Jay, Jr.
Clayton Jay, Jr., Secretary

Signed, sealed and delivered by Fitzgerald First, Inc., in the presence of:

Walter Z Butler
Unofficial witness

Anna Taylor
NOTARY PUBLIC
My commission expires: 11/2001
Date of notarization: 9-8-98

[CORPORATE SEAL]



[NOTARY SEAL]

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