

Form PTO 1594
(Rev. 6-88)
OMB No. 0851-0011 (exp. 4/94)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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

1. Name of conveying party(ies):
BHPC MARKETING, INC.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation - California
 Other

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

3. Nature of conveyance:
 Assignment Merger
 Security Agreement
 Other

Execution Date: JUNE 30, 2004

2. Name and address of receiving parties:
Name: **SAMSSONS PROPERTIES, LLC**
Address: **1370 Broadway**
New York, New York 10018

Individual(s) Association
 General Partnership Limited Partnership
 Corporation - DELAWARE
 Other - **LIMITED LIABILITY COMPANY - NEW YORK**

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Applications

Mark	Serial No.
SEE ATTACHED SCHEDULE A TO SECURITY AGREEMENT at pp. 10-11	

Additional numbers attached? Yes No

B. Trademark Registrations

Mark	Reg. No.
SEE ATTACHED SCHEDULE A TO SECURITY AGREEMENT at pp. 10-11	

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Darby & Darby P.C.
Street Address: Post Office Box 5257
City: New York State: New York Zip: 10150-5257

OUR REF. NO.: 02222/8200456-000

6. Total number of applications and registrations involved: 17

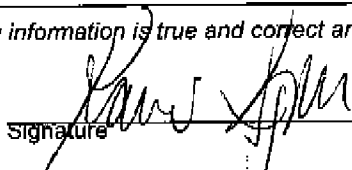
7. Total fee (37 CFR 3.41):.....\$440.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 04-0100
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. 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.

Karin Segall
Name of Person Signing


Signature

July 7, 2004

Total number of pages including cover sheet, attachments, and document: 24

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

C/H \$440.00 040100 76094265

Continuation of Schedule A To Security Agreement

ARGENTINA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	All goods, International Class 25	Registered (Reg. No. 1,475,977)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 1,707,357)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 1,681,518)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 1,666,238)

AUSTRALIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, footwear and headgear, International Class 25	Registered (Reg. No. A523531)
BEVERLY HILLS ATHLETIC CLUB	Clothing, International Class 25	Registered (Reg. No. 753,119)

AUSTRIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 130,399)

BAHRAIN:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	International Class 24	Registered (Reg. No. 25191)
BEVERLY HILLS POLO CLUB & Design	Clothing, footwear and headgear, International Class 25	Registered (Reg. No. 25192)

BELIZE:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 6419)

BENELUX:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Sportswear, International Class 25	Registered (Reg. No. 449,277)

BOLIVIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 74188-C)

BRAZIL:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 819791270)
CHEVAL	Eyewear, International Class 9	Pending (Serial No. 823509150)

CANADA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 355,917)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Classes 9, 14, 18, 24	Registered (Reg. No. 446,893)
BEVERLY HILLS POLO CLUB & Design	Perfumes, International Class 3	Registered (Reg. No. 483,614)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 528,339)
BEVERLY HILLS POLO CLUB & Design	Footwear, International Class 25	Registered (Reg. No. 480,898)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 518664)

CHILE:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 536,582)

CTM - European Community:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 532,895)
BEVERLY HILLS ATHLETIC CLUB	Clothing, International Class 25	Registered (Reg. No. 725,267)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 364,257)
CHEVAL	Eyewear, International Class 9	Registered (Reg.

		No. 2,034,494)
BEVERLY HILLS KIDS CLUB	Clothing, International Class 25	Pending (Serial No. 2991750)

COLOMBIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB	Watches, International Class 14	Registered (Reg. No. 173868)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 240,699)

COSTA RICA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 108,878)

DENMARK:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. VR 1993 05054)

DOMINICAN REPUBLIC:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 95494)

ECUADOR:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 2234/99)

EGYPT:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. No. 97290)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 107,738)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 103,331)

FRANCE:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3 Clothing, footwear and headgear, International Class 25	Registered (Reg. No. 1,365,413)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 95/586,507)

GERMANY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 2,092,929)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3 Eyewear, International Class 9	Registered (Reg. No. 39535914)

GREECE:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 93232)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 133,343)

GUATEMALA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 95162)

HONDURAS:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 53,550)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 73522/444/78)

INDIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Pending (Serial No. 586,142)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Pending (Serial No.)

CLUB & Design		762,579)
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ISRAEL:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 82,802)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 112,326)
BEVERLY HILLS POLO CLUB & Design	Leather goods, International Class 18	Registered (Reg. No. 108,140)

ITALY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 554,547)
BEVERLY HILLS POLO CLUB Design	Toiletries, International Class 3	Registered (Reg. No. 730,504)

JAMAICA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. B23,508)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 36,658)

JAPAN:

MARK	GOODS/CLASS	STATUS
CHEVAL	Clothing, International Class 25 Eyewear, International Class 9	Registered (Reg. No. 4497516)

JORDAN:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Textile, International Class 24	Registered (Reg. No. 55,875)
BEVERLY HILLS POLO CLUB & Design	Hair care products, International Class 3	Registered (Reg. No. 55,879)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 55,877)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 55,876)
BEVERLY HILLS POLO	Luggage, International Class	Registered (Reg.

CLUB & Design	18	No. 55,878)
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KUWAIT:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Towels and linens, International Class 24	Registered (Reg. No. 39,832)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 39,823)

LEBANON:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3; Watches, International Class 14; Leather goods, International Class 18; Towels and linens, International Class 24; Clothing, International Class 25	Registered (Reg. No. 78626)

MEXICO:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class: Mex. 39	Registered (Reg. No. 438,317)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. 506,333)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 553,764)
BEVERLY HILLS POLO CLUB & Design	Footwear, International Class 25	Registered (Reg. 513,821)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. 542,434)

MOROCCO:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Towels and linens, International Class 24; Clothing, International Class 25	Registered (Reg. No. 68,813)

NICARAGUA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. 20,935CC)

BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. 5,330,023)
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NORWAY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. 148,737)

OMAN:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Towels and linens, International Class 24	Pending (Serial No. 19296)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Pending (Serial No. 19297)

PANAMA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 051019A-01)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 91,050)
BEVERLY HILLS POLO CLUB & Design	Fragrances, International Class 3	Registered (Reg. No. 73,635)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 87,483)
BEVERLY HILLS POLO CLUB & Design	Footwear, International Class 25	Registered (Reg. No. 74,735)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 84,548)

PARAGUAY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 221,060)

PERU:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 043,212)

PORTUGAL:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 328864 L)

QATAR:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Towels and linens, International Class 24	Pending (Serial No. 19886)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Pending (Serial No. 19887)

RUSSIAN FEDERATION:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design		Pending (Serial No. 2002706319)

SAUDI ARABIA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, footwear and headwear, International Class 24	Registered (Reg. No. 662/94)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Pending (Serial No. 47391)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. No. 394/02)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 527/52)

SWEDEN:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 225,429)

SWITZERLAND:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 381,887)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3; Eyewear, International Class 9	Registered (Reg. No. 441,428)

TRINIDAD:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 27666)

TURKEY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB	Clothing, International Class 25	Registered (Reg. No. 113,029)
BEVERLY HILLS POLO CLUB & Design	Toiletries, towels and linens, International Classes 3, 14 and 24	Registered (Reg. No. 1999/000959)

UNITED ARAB EMIRATES:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Towels and linens, International Class 24	Pending (Serial No. 30100)
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Pending (Serial No. 30101)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. No. 18,881)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. 19813)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 18,905)

UNITED KINGDOM:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 1259226)
BEVERLY HILLS POLO CLUB & Device	Eyewear, International Class 9	Registered (Reg. No. 2012933)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. No. B1558682)
BEVERLY HILLS POLO CLUB & Design	Watches, International Class 14	Registered (Reg. No. B1558683)

UNITED STATES:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Tote bags and Handbags, International Class 18;	Registered (Reg. No. (2855713))

	Towels, International Class 24; Clothing, International Class 25	
BEVERLY HILLS POLO CLUB & Design	Clothing, International Class 25	Registered (Reg. No. 1429311)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9; Watches, International Class 14; Leather goods, International Class 18; Towels, International Class 24; Clothing, International Class 25	Registered (Reg. No. 1751058)
BEVERLY HILLS POLO CLUB & Design	Footwear, International Class 25	Registered (Reg. No. 2214846)
BEVERLY HILLS POLO CLUB & Design	Toiletries, International Class 3	Registered (Reg. No. 2091892)
BHPC	Clothing, International Class 25	Registered (Reg. No. 1547468)
BEVERLY HILLS POLO CLUB	Clothing, International Class 25	Registered (Reg. No. 1947244)
BEVERLY HILLS POLO CLUB & Design	Luggage, International Class 18	Registered (Reg. No. 2181220)
BEVERLY HILLS ATHLETIC CLUB	Towels, International Class 24; Clothing, International Class 25	Registered (Reg. No. 1810818)
BEVERLY HILLS ATHLETIC CLUB	Luggage, International Class 18	Registered (Reg. No. 2393792)
BEVERLY HILLS SPORTS CLUB	Luggage, International Class 18	Registered (Reg. No. 2391829)
BEVERLY HILLS SURF & SUN	Luggage, International Class 18	Registered (Reg. No. 2567665)
CHEVAL	Clothing, International Class 25	Pending (Serial No. 76/094,255)
CHEVAL	Perfumes, International Class 3	Pending (Serial No. 76/430,357)
CHEVAL	Eyewear, International Class 9	Registered (Reg. No. 2742893)
CRUISER GIRL	Clothing, International Class 25	Pending (Serial No. 76/425,964)
CRUZER GIRL	Clothing, International Class 25	Pending (Serial No. 76/425,963)

URUGUAY:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Registered (Reg. No. 299,807)

VENEZUELA:

MARK	GOODS/CLASS	STATUS
BEVERLY HILLS POLO CLUB	Watches, International Class 14	Registered (Reg. No. P-185858)
BEVERLY HILLS POLO CLUB & Design	Eyewear, International Class 9	Pending (Serial No. 20502-97)

SECURITY AGREEMENT

SECURITY AGREEMENT dated June 30, 2004, by BHPC Marketing, Inc. a California corporation ("Debtor"), in favor of Samssons Properties, LLC ("Secured Party"). This Security Agreement is the Security Agreement referred to in a Non-Negotiable Promissory Note dated June 30, 2004 ("Note") made by Debtor to Secured Party, and is subject to the provisions thereof. [All terms used in this Security Agreement which are not specifically defined in this Security Agreement shall have the meaning ascribed to them in the Note.]

Debtor hereby grants to the Secured Party a security interest in the following "General Intangibles," as such term is defined in the UCC, now owned or hereafter acquired by Debtor or in which Debtor now has or hereafter acquires any right, title or interest: the trademarks and service marks listed on the annexed Schedule A, together with the goodwill of the business symbolized thereby and the applications and registrations thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof. The General Intangibles described in the preceding sentence and all instruments, documents securities, cash, property, books and records, computer storage media and ledger books arising out of or related in any way to any of the foregoing, owned by Debtor or in which Debtor has an interest, are hereinafter collectively referred to as the "Collateral." Proceeds of the Collateral shall include any proceeds of insurance thereon against fire or physical damage whether or not such policy shall contain an endorsement in favor of the Secured Party. "UCC" as used herein shall mean Article 9 of the Uniform Commercial Code of the State of New York as in effect on the date hereof. All other terms used herein that are defined in the UCC shall have the meanings therein stated.

Debtor authorizes the Secured Party to file a financing statement describing the Collateral and to file this Security Agreement in the United States Patent and Trademark Office.

1. Obligations Secured. The security interest hereby granted is to secure (a) the payment to the Secured Party and the performance of the Note and (b) the payment to the Secured Party and the performance of Debtor's obligations pursuant to this Security Agreement (collectively "Obligations").

2. Representations. Debtor represents and warrants to the Secured Party as follows:

(a) Debtor now owns the Collateral and has the right to grant to the Secured Party a security interest therein. Debtor has full authority from its directors and/or shareholders, members or partners (if any) to grant a security interest in the Collateral to the Secured Party.

(b) Debtor has not previously assigned or encumbered any of the Collateral, the Collateral is free and clear of any and all security interests, liens, and encumbrances, whatsoever, other than those to the Secured Party, and no financing statement covering the Collateral or any proceeds thereof is on file in any public office except those in favor of the Secured Party.

(c) The Collateral is not and shall not be used for personal, family, household or farming use.

GOA61841.Q75(BHPC).DOC

3. **Covenants.** Until the Obligations are paid and/or performed in full, Debtor agrees:

(a) To promptly pay, without offset or deduction, any amount due under any Obligations, whether principal, interest, late charges, or otherwise.

(b) To keep and maintain, at Debtor's own expense, satisfactory, complete and current records of the Collateral, including, but not limited to, a record of all shipments received, deliveries made, payments received, credits granted thereon and other dealings therewith; and to furnish such reports on Debtor and the Collateral to the Secured Party as the Secured Party may request from time to time.

(c) To execute and deliver on demand such further assurances and to take such steps as may be necessary to perfect and maintain the Secured Party's security interest in the Collateral (including, but not limited to, obtaining certificates of title showing the Secured Party's lien and executing assignments and financing and continuation statements) and to preserve the priority of the Secured Party's security interest and lien on the Collateral. Debtor will reimburse the Secured Party for all expenses incurred in the filing and obtaining of such documents and perfecting its security interest in the Collateral.

(d) To pay promptly upon demand the Secured Party's reasonable costs and expenses, including reasonable attorneys' fees, in connection with any litigation, claim, action or proceeding that may arise in connection with the collection, enforcement or protection of the Obligations or the Collateral.

(e) Not to sell, license, grant a security interest in, encumber, transfer or otherwise dispose of any of the Collateral or any material portion thereof, provided that Debtor may enter into license agreements with respect to the Collateral consistent with its past practices with the consent of the Secured Party which consent may unreasonably be withheld. Debtor will not permit any liens or security interests to attach to any of the Collateral except as permitted in this Security Agreement and those created by this Security Agreement, will not permit any of the Collateral to be levied upon or seized under any legal process and will not do or permit anything to be done that may impair the security intended to be afforded by this Security Agreement.

(f) Not to change the location of the principal place of business of the Debtor., without giving Secured Party 30 days' prior written notice.

(g) To maintain its existence in good standing as may be from time to time required by applicable law. Debtor will not change its name without giving the Secured Party at least 30 days prior written notice.

(h) To permit the Secured Party or its agent to enter upon Debtor's premises at any reasonable time and without hindrance or delay to inspect, audit, copy and make extracts from the books, records, journals, orders, receipts, correspondence, computer storage media or data related or pertaining to the Collateral.

(i) In the event Debtor fails to perform any of Debtor's duties and obligations under this Security Agreement, the Secured Party may, at its option, but without obligation, perform such duty or obligation and any cost, fees and expenses incurred by the Secured Party in connection therewith shall be payable by Debtor on the Secured Party's demand for same and until paid shall bear interest at the highest rate permitted by law. In connection therewith, Debtor hereby irrevocably designates, appoints and empowers the Secured Party, at Debtor's reasonable cost and expense, to do in the name of Debtor any and all actions which the Secured Party may deem necessary or advisable to carry out the terms hereof upon the failure, refusal or inability of Debtor to do so and Debtor hereby agrees to indemnify and hold the Secured Party harmless from any cost, damage, expense or liability arising against or incurred by the Secured Party in connection therewith.

4. Further Assurances; Special Power of Attorney Financing Statements. At any time and from time to time, at the reasonable request of the Secured Party, Debtor shall, at its own cost and expense, execute and deliver to the Secured Party such agreements, instruments, certificates and other documents, and take such other actions, as may be necessary or desirable, in the reasonable opinion of the Secured Party, to further evidence, effect or perfect, or preserve the grant, perfection or priority of, the liens created by this Security Agreement, or to otherwise effectuate the purposes of this Security Agreement. In furtherance of the foregoing, the Debtor has executed the Special Power of Attorney ("Power") in the form annexed. To the extent permitted by applicable law, Debtor hereby authorizes the Secured Party to execute and file at any time or times one or more financing statements pursuant to the UCC with respect to any or all of the Collateral with or without the signature of Debtor and to make all filings allowed by law at the United States Patent and Trademark Office with respect to this Agreement. Debtor hereby agrees that a carbon, photographic, or other reproduction of this Security Agreement or of a financing statement shall be sufficient as a financing statement.

5. Events of Default. Any of the following events will constitute an Event of Default under this Security Agreement:

(a) The occurrence of a default pursuant to the Note, subject to applicable notice and cure periods, if any.

(b) If any material portion of the Collateral is attempted to be sold or is sold or is encumbered or transferred or if Debtor fails to perform any of the Obligations.

6. Remedies. If an Event of Default occurs, then without prior notice (unless otherwise provided below), and in addition to any other rights or remedies provided by law or by contract or accorded to the Secured Party under the UCC, the Secured Party may in its sole discretion exercise any of the following rights or remedies:

(a) The Secured Party may declare sums due under any of the Obligations immediately due and payable. If a note constituting any of the Obligations shall be a demand instrument, however, the recitation of the right of the Secured Party to declare any and all of the Obligations to be immediately due and payable or the recitation of Events of Default shall not constitute an election by the Secured Party to waive its right to demand payment under a demand

instrument at any time and in any event as the Secured Party in its sole discretion may deem appropriate.

(b) Upon the occurrence of any Event of Default, the Secured Party may take possession of the Collateral and exercise its rights hereunder without giving Debtor any opportunity for hearing to be held before the Secured Party, through judicial process or otherwise. The Secured Party may require and Debtor agrees upon demand to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party that is reasonably convenient to both parties, and/or the Secured Party may enter any premises and take possession of the Collateral or any part thereof. Unless the Collateral is perishable or threatens to decline speedily in value or is of type customarily sold on a recognized market, the Secured Party will give Debtor reasonable notice of time and place of any public sale thereof or the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice shall be met if notice is mailed, postage prepaid to Debtor at its above mentioned address, at least 10 days before the time of sale or disposition of the Collateral. The Secured Party may apply cash proceeds from a sale or disposition first to the expenses of such sale or disposition or other enforcement measures, including reasonable attorneys' fees and legal expenses, and then to the Obligations in such order as to principal or interest as the Secured Party may desire. Debtor will remain liable for and will pay to the Secured Party any deficiency remaining after such application of proceeds.

(c) The Secured Party may appropriate, set off and apply for the payment of any or all of the Obligations, any and all balances, sums, property, claims, credits, deposits, accounts, reserves, collections, drafts, notes and other items or proceeds of the Collateral in or coming into the possession of the Secured Party or its agents and belonging or owing to Debtor without notice to Debtor and in such manner as the Secured Party may in its discretion determine.

(d) Debtor shall pay to the Secured Party, on demand, any and all costs and expenses, including all reasonable attorneys' fees, incurred or paid by the Secured Party in protecting or enforcing its rights, powers and remedies hereunder or under any other agreement with any party or any obligation secured hereby or thereby or in any way connected with any proceeding or action, judicial or otherwise, by whomsoever initiated concerning the protection or enforcement thereof.

(e) All rights and remedies of the Secured Party under any law, under this Security Agreement or under any agreement given in connection with this Security Agreement shall be cumulative and not exclusive and may be exercised successively or concurrently.

(f) To use the Power to effectuate any or all of the foregoing rights.

7. Miscellaneous.

(a) No lawful act of commission or omission upon the part of the Secured Party, or any delay in exercising its rights hereunder, shall in any way or at any time affect, impair or waive the rights of the Secured Party to enforce any right, power or benefit hereunder.

The provisions of this Security Agreement may be amended only by the written agreement of the Secured Party and Debtor.

(b) Debtor hereby waives presentment, notice of dishonor and protest of all instruments relating to the Obligations or the Collateral and any notices and demands (except as expressly provided herein) whether or not relating to such instruments. DEBTOR FURTHER WAIVES ANY RIGHT TO TRIAL BY JURY.

(c) Any notice or demand given hereunder shall be deemed to have been sufficiently given or served for all purposes if sent by facsimile to the Debtor as follows:

Dan Terheggen
CEO
BHPC Marketing, Inc.
c/o Consolidated Smart Systems
620 West 135th Street
Gardena, California 90248
Fax (310) 715-6371

With a copy to:

Don Garrison
President
BHPC Marketing, Inc.
27129 Calle Arroyo, Suite 1821
San Juan Capistrano, California 92675
Fax (949) 388-1714

Such notice shall be deemed to have been given when sent.

(d) In the event any obligation secured hereby is paid by Debtor, or any maker, endorser or guarantor of such obligations and because of bankruptcy or other law relating to creditor's rights, such payment is deemed to constitute a preference, Debtor agrees to remain liable hereunder if the Secured Party is compelled to repay any such obligation or any part thereof to any trustee, receiver, custodian or otherwise.

(e) All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns and all obligations of Debtor hereunder shall bind its successors and assigns, but nothing herein shall authorize Debtor to assign this Security Agreement or its rights in and to the Collateral.

(f) Debtor shall protect, indemnify and save harmless the Secured Party from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by, or asserted against, the Secured Party on account of (i) any failure or alleged failure
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of Debtor to comply with any of the terms or representations of this Security Agreement, (ii) any claim or loss or damage to the Collateral or any injury or claim of injury to, or death of, any person or property that may be occasioned by any cause whatsoever pertaining to the Collateral or the use, occupancy or operation thereof or (iii) any failure or alleged failure of Debtor to comply with any law, rule or regulation regarding the use, occupancy or operation of the Collateral, provided that such indemnity shall be effective only to the extent of any loss, cost or damage that may be sustained by the Secured Party in excess of any net proceeds received by them from any insurance (other than self insurance) carried with respect to such loss. Nothing contained herein shall require Debtor to indemnify the Secured Party for any claim or liability resulting from its gross negligence or its willful and wrongful acts. The covenants in this paragraph shall survive payment of the Obligations. The indemnity provided for herein shall extend to the officers, directors, employees and duly authorized agents of the Secured Party.

(g) Nothing in this Security Agreement shall be construed to impose any obligation upon the Secured Party to expend funds or to extend or continue any credit whatsoever to Debtor or to take any other discretionary act herein permitted, except to the extent that the Secured Party may from time to time obligate themselves to do so in writing, and the Secured Party shall have no liability or obligation for any delay or failure to make any discretionary act.

(h) The rights, powers, and remedies of the Secured Party under this Security Agreement shall be in addition to all rights, powers and remedies given to the Secured Party by virtue of statute, rule of law, any documents executed in conjunction with any agreement or instrument evidencing or securing the Obligations or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the Secured Party's security interest in the Collateral.

(i) This Security Agreement shall be governed by the laws of the State of New York without regard to the choice of law provisions thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Debtor has caused this Security Agreement to be signed as of the day and year first above written.

BHPC MARKETING, INC.

By: 

Name: Dan Terheggen

Title: Chief Executive Officer

SAMSSONS PROPERTIES, LLC

By: _____

Name: Michael Haddad

Title: Manager

IN WITNESS WHEREOF, Debtor has caused this Security Agreement to be signed as of the day and year first above written.

BHPC MARKETING, INC.

By: _____

Name: Dan Terheggen

Title: Chief Executive Officer

SAMSSONS PROPERTIES, LLC

By:  _____

Name: Michael Haddad

Title: Manager

SPECIAL POWER OF ATTORNEY

STATE OF CALIFORNIA)
)ss.:
COUNTY OF Los Angeles)

KNOW ALL ME BY THESE PRESENT,

BHPC Marketing, Inc., a California corporation with its principal office at 27129 Calle Arroyo, Suite 1821, San Juan Capistrano, California 92675 ("Debtor") hereby appoints and constitutes Samssons Properties, LLC, a New York limited liability company ("Secured Party"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Debtor:


1. For the purposes of assigning, selling, licensing, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks, trade names, trade styles and service marks, and all registrations, recordings, reissues, extensions and renewals thereof, and all pending applications therefore as set forth on Schedule A and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment, or other papers necessary or advisable to effect such purpose;
2. To execute any and all documents, statements, certificates, or other papers necessary or advisable in order to obtain the purposes described above as Secured Party may in its sole discretion determine.

This power of attorney is made pursuant to a Security Agreement dated the date hereof, between the parties and takes effect solely in event an Event of Default occurs pursuant to the terms thereof and is subject to the conditions thereof and may not be revoked until the payment in full and/or performance of all "Obligations" as defined in such Security Agreement.

Dated: June 30, 2004

[Corporate Seal]

BHPC MARKETING, INC.

By: 
Name: Don Terhaggen
Title: CEO

STATE OF CALIFORNIA)
COUNTY OF Los Angeles)ss.:

On the 1st day of July, 2004, before me, the undersigned, personally appeared David Perheggen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of whom the individual acted, executed the instrument.



Farah W. Marinero
Notary Public

Schedule A To Security Agreement



BHPC

BEVERLY HILLS ATHLETIC CLUB

BEVERLY HILLS KIDS CLUB

BEVERLY HILLS SPORTS CLUB

BEVERLY HILLS SURF & SUN

CHEVAL

CRUISER GIRL

CRUZER GIRL