

07-07-2003



Form PTO-1594 (Rev. 10/02) 7-3-03

RECORD# 102489482 TRADEMARKS ONLY

DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

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

1. Name of conveying party(ies):

Neometrix Acquisition I, Inc.

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State, Other

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: April 1, 2003

2. Name and address of receiving party(ies)

Name: Arnold Fischman

Internal Address: c/o X-L Plastics

Street Address: 220 Clifton Blvd.

City: Clifton State: NJ Zip: 07011

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other

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 Application No.(s) 78204994; 78205026; 78205001; 78205034; and 78205037

B. Trademark Registration No.(s) 2189374; 2189373; 2184056; 2246650; 2265528 and 2240317

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Kevin A. Buford, Esq.

Internal Address:

Street Address: Holland & Knight LLP

City: McLean State: VA Zip: 22102-4867

6. Total number of applications and registrations involved:

11

7. Total fee (37 CFR 3.41) \$ 290

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Kevin A. Buford

Name of Person Signing

Signature

July 2, 2003

Date

22

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

07/07/2003 LMUELLER 00000036 78204994

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

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**RECORDATION FORM COVER SHEET
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ITEM 2. Name and address of receiving party(ies)

Name: Neometrix Technology Group, Inc.
Street Address: 11921 Freedom Drive, Suite 550
Reston, Virginia 20190

Name: Frank Musolino
Street Address: 16306 Millan de Avila
Tampa, Florida 33613

Name: Patricia I. Musolino
Street Address: 16306 Millan de Avila
Tampa, Florida 33613

SECURITY AGREEMENT

This SECURITY AGREEMENT ("Security Agreement") is made and entered into as of the 1ST day of April, 2003, by and between NEOMETRIX ACQUISITION I, INC., a Delaware corporation, with its principal office at 11921 Freedom Drive, Suite 550, Reston, VA 20190, ("Borrower") and each holder of Borrower's Class A-1, Class A-2, and Class B Secured Promissory Notes (each, a "Lender" and collectively, the "Lenders").

RECITALS

Borrower has requested that Lenders extend certain credit facilities to Borrower, consisting of term loans in an aggregate principal amount up to Two Million Two Hundred Thousand Dollars (\$2,200,000.00) (the "Loans"). The Loans are and will be evidenced by Borrower's Class A-1, Class A-2, and Class B Secured Promissory Notes (the "Notes").

Lenders are willing to extend the Loans to Borrower on a secured basis, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lenders agree as follows:

ARTICLE I DEFINITIONS

1.1 Defined Terms. In addition to terms defined elsewhere in this Security Agreement, when used herein, the following terms shall have the following meanings:

"Account" means any right of Borrower, whether or not earned by performance, to payment for goods or other property sold or leased or for services rendered that is not evidenced by an Instrument or Chattel Paper, including without limitation:

(a) all presently owned and hereafter acquired receivables, including all open accounts, contract rights, notes, drafts, acceptances, rental receivables, installment payment obligations and other obligations for or rights to the payment of money created by Borrower, or acquired by Borrower from others;

(b) all cash and non-cash proceeds thereof, and all contracts, documents, invoices and other instruments evidencing the same; and

(c) all collateral security therefor (including guaranties, mortgages, or security interests) and all of Borrower's rights and remedies in connection with the Accounts or in connection with any property sold or leased which is represented thereby.

"Account Debtor" means the Person who is obligated on an Account.

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"**Chattel Paper**" means a writing or writings that evidence both a monetary obligation and a security interest in or a lease of specified goods.

"**Collateral**" has the meaning given to such term in Section 2.1.

"**Default**" shall mean the failure by the Borrower to timely perform any monetary obligation under this Agreement or any of the Loan Documents or Obligations or the failure by the Borrower to observe or perform in any material respect any of the covenants or agreements to be observed or performed hereunder or under the terms of any of the Loan Documents or Obligations after fifteen (15) days' notice by Lenders to Borrower specifying such default and the failure by the Borrower to cure.

"**Default Rate**" shall mean the lesser of (i) eighteen percent (18%) per 365-day annum, or (ii) the highest rate of interest permitted from time to time by applicable law.

"**Document**" shall mean any now owned or hereafter acquired bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document, whether negotiable or non-negotiable, that in the regular course of business of financing is treated as adequately evidencing that the Person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers.

"**Dollars**" and "\$" shall mean lawful money of the United States of America.

"**Due Date**" shall mean the date any payment of principal or interest is due and payable on the Loans or the Notes.

"**Equipment**" means all goods (other than Inventory) used or bought for use primarily in the business of Borrower, wherever located, including, but not limited to, machinery, furniture, furnishings, fixtures, leasehold improvements, computers, parts (including spare parts and repair parts) and tools, together with all fittings, accessories, accessions, additions, modifications, improvements, equipment and special tools now or hereafter affixed to any or any part of the foregoing or used in connection with any part of the foregoing and all replacements of any part thereof.

"**Event of Default**" means an event of default specified in Article V of this Security Agreement or an event of default under any other Loan Document.

"**Financing Statement**" means any financing statement permitted under the UCC or any other state law for the purpose of perfecting or continuing the Security Interest.

"**General Intangibles**" means any personal property of Borrower other than goods, Accounts, Chattel Paper, Documents, Instruments and money, and including without limitation, Intellectual Property.

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"Instrument" means a negotiable instrument or any other writing that evidences a right to payment of money and is not itself a security agreement or lease and is of a type that is in ordinary course of business transferred by delivery with any necessary endorsement or assignment.

"Intellectual Property" means all of the following, owned or used in the business of the Borrower as presently conducted or as proposed to be conducted: (i) trademarks and service marks (registered or unregistered), trade dress, trade names and other names and slogans embodying business or product goodwill or indications of origin, all applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) domestic and foreign patents, patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, techniques, processes, technology and computer programs, software and databases (including source code, object code, algorithms, development documentation, programming tools, drawings, specifications and data) and all applications or registrations in any jurisdiction pertaining to the foregoing, including all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof; (iii) trade secrets, including confidential and other non-public information, and the right in any jurisdiction to limit the use or disclosure thereof; (iv) copyrights in writings, designs, mask works or other works, and applications or registrations in any jurisdiction for the foregoing; (v) scientific, technical, engineering and marketing data and database rights; (vi) Internet Web sites, domain names and registrations or applications for registration thereof; (vii) licenses, immunities, covenants not to sue and the like relating to any of the foregoing; (viii) books and records describing or used in connection with any of the foregoing; and (ix) claims or causes of action arising out of or related to infringement or misappropriation of any of the foregoing.

"Interest Rate" means twelve percent (12%) per annum, except when the Default Rate is in effect, but in no event to exceed the maximum rate permitted by law.

"Inventory" means all (a) goods, merchandise or personal property, wherever located, held for sale or lease by Borrower in the ordinary course of business or to be furnished under contracts of service, (b) raw materials, (c) work in process, (d) materials used or consumed in the Borrower's business, (e) materials or supplies used or usable in manufacturing or processing, (f) packaging and shipping materials, (g) inventory covered by a warehouse receipt, bill of lading or other negotiable or non-negotiable Document and (h) returned or repossessed merchandise, of Borrower.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, or charge of any kind (including any agreement to give any of the foregoing, any conditional sales or other title retention agreements, or any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction).

"Loan Documents" means this Security Agreement, the Notes, and the Financing Statements, together with all other agreements, documents and instruments executed and delivered by Borrower to Lenders in connection herewith.

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"Loans" means the indebtedness evidenced by the Class A-1, Class A-2, and Class B Secured Promissory Notes issued from time to time by Borrower to Lenders.

"Majority in Interest" means the Lenders holding a majority of the Notes by principal amount.

"Maturity Date" means, with respect to the Class A-1 Secured Promissory Notes, March 31, 2004; with respect to the Class A-2 Secured Promissory Notes, September 30, 2004; and with respect to the Class B Secured Promissory Notes, March 31, 2005. The Notes must be paid at their respective Maturity Dates (except as otherwise specifically provided in the Loan Documents), regardless of source.

"Note(s)" means the Class A-1, Class A-2, and Class B Secured Promissory Notes issued from time to time by Borrower to Lenders, and all allonges thereto, and all renewals, extensions, modifications or replacements thereof.

"Obligations" means all payment and performance duties, obligations and liabilities of any kind or nature of Borrower to Lenders, including, but not limited to, (a) the indebtedness evidenced by the Notes, together with all accrued but unpaid interest thereon, (b) all banking and loan fees, costs, expenses and attorneys' and paralegals' fees and expenses for which Borrower may be liable, and (c) all other payment and performance duties, obligations and liabilities of Borrower to Lenders, however and whenever incurred, acquired or evidenced, whether primary or secondary, direct or indirect, absolute or contingent, sole or joint and several, or due or to become due, including without limitation, all such duties, obligations and liabilities of Borrower to Lenders under and pursuant to this Security Agreement, the Notes or any of the other Loan Documents, the Loans, and all renewals, extensions, modifications, amendments or replacements of any thereof. The term "Obligations" shall include and continue to include payment on any Obligations which have been made to a Lenders that are subsequently required to be turned over or returned to Borrower or any other Person for any reason.

"Person" means any natural person, corporation, division of a corporation, firm, partnership, association, trust, organization, governmental authority, or any other entity, whether acting in an individual, fiduciary, or other capacity.

"Proceeds" means whatever is received upon the sale, exchange, collection or other disposition of the Collateral, including without limitation, insurance proceeds.

"Records" means all books, correspondence, credit files, records, invoices and other papers and documents at any time evidencing or relating to all or any part of the Collateral, including, without limitation, all tapes, cards, computer runs, computer programs and other papers and documents in the possession or control of Borrower or any computer bureau from time to time acting for Borrower, and all rights in, to and under all policies of insurance, including claims of rights to payments thereunder and proceeds therefrom, including any credit insurance;

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"Security Agreement" means this Security Agreement, and all supplements, amendments, modifications or restatements here

"Security Documents" means this Security Agreement, and all other agreements, assignments, filings, financing statements, certificates of title, notices, returns and other security instruments and records, however described or denominated, now or hereafter created or existing, pledging or evidencing any pledge of any property or assets, however described, to secure any or all of the Obligations.

"Security Interest" means the security interest in the Collateral granted by Borrower to Lenders pursuant to Section 2.1.

"UCC" means the Florida Uniform Commercial Code, as amended from time to time.

1.2 Terms Generally. The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. All references in this Security Agreement to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of and Exhibits and Schedules to this Security Agreement unless the context requires otherwise. All terms contained in this Security Agreement and which are not otherwise specifically defined herein shall have the meanings provided in the UCC to the extent the same are used or defined therein.

ARTICLE II COLLATERAL AND GRANT OF SECURITY INTERESTS

2.1 Grant of Security Interest. To secure payment and performance of all of the Obligations, Borrower hereby grants to Lenders a continuing Security Interest in and to all of Borrower's right, title and interest in and to all personal property of Borrower, whether now owned or existing or hereafter acquired, wherever now or hereafter located (all such property is hereinafter referred to collectively as the "Collateral"), including, but not limited to:

- (a) All Accounts;
- (b) All Inventory;
- (c) All Equipment;
- (d) All Documents;
- (e) All Instruments;
- (f) All Chattel Paper;
- (g) All General Intangibles;

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(h) All cash and cash equivalents;

(i) Any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies of or in the name of Borrower now or hereafter with any financial institution and any and all property of every kind or description of or in the name of Borrower.

(j) To the extent not encumbered above, all of the right, title and interest of Borrower in and to the goods or other property represented by or securing Accounts, Chattel Paper and Instruments;

(k) All rights, remedies, title and interest in, to and in respect of the Collateral, including without limitation (i) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (ii) rights of Borrower as an unpaid vendor, lienor or secured party, including stoppage in transit, replevin, repossession and reclamation, and in and to any returned, repossessed or reclaimed goods, (iii) deposits by and property of Account Debtors or other Persons securing the obligations of Account Debtors and (iv) rights, remedies and payments arising from any legal proceedings initiated by Borrower;

(l) All interests of Borrower in any leases;

(m) All Records;

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

(o) All Proceeds of all of the foregoing.

All of the Obligations shall be cross-defaulted with one another, such that an Event of Default with respect to any of the Obligations, whether under this Security Agreement or any of the other Loan Documents, shall be deemed an Event of Default with respect to all of the Obligations.

Notwithstanding anything to the contrary herein contained, the Security Interest granted herein does not attach to the assets of Neometrix Technology Group, Inc., the parent corporation of the Borrower (except those assets it receives from Borrower) or any of its other subsidiaries.

2.2 Collateral Covenants.

2.2.1 **General.** (a) The Collateral shall be and remain free and clear of all Liens whatsoever, other than the lien of a bank in Borrower's deposit accounts.

(b) To the extent any of the Collateral is tangible personal property, Borrower shall cause to be maintained on the Collateral hazard insurance in an amount at least equal to the replacement cost thereof.

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(c) Borrower shall defend the Collateral against the claims and demands of all Persons at any time claiming the same or any interest therein.

(d) There is not now and shall not be filed in the future in any jurisdiction any financing statement listing any Person other than Lenders as a secured party covering any or all of the Collateral.

(e) Borrower will use its reasonable best efforts to prevent (i) any levy on any of the Collateral under legal process, and (ii) anything being done that may materially impair the value of any of the Collateral or the security intended to be afforded by this Agreement.

(f) Borrower shall pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

2.2.2 Accounts Covenants. Borrower will notify Lenders promptly of: (i) any material delay in Borrower's performance of any of its obligations to any Account Debtor or the assertion of any material claims, offsets, defenses or counterclaims by any Account Debtor, or any material disputes with Account Debtors, or any settlement, adjustment or compromise thereof and (ii) all material adverse information relating to the financial condition of any Account Debtor. No credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any Account Debtor, except in the ordinary course of Borrower's business.

2.2.3 Lender's Right to Cure. Lenders or any of them may, at their option, (a) cure any default by Borrower under any agreement with a third party or pay or bond on appeal any judgment entered against Borrower, (b) discharge taxes or Liens at any time levied on or existing with respect to the Collateral and (c) pay any amount, incur any reasonable expense or perform any act which, in Lenders' judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Lenders with respect thereto. Lenders may add any amounts so expended to the Obligations and charge Borrower's account therefor, such amounts to be repayable by Borrower on demand. Lenders shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of Borrower. Any payment made or other action taken by Lenders under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lenders as follows:

3.1 Corporate Existence and Power; Name; Chief Executive Office; Inventory and Equipment Locations. Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Borrower has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, the Loan Documents. The principal place of

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business of Borrower is located at 11921 Freedom Drive, Suite 550, Reston, VA 20190, and all Records are kept at that location.

3.2 Qualification. Borrower is in good standing and is qualified to do business in all states and locations where qualifications are necessary and failure to so qualify would preclude it from enforcing its rights with respect to any material asset, expose it to any material liability or have a material adverse effect on its business.

3.3 Authorization of Loans, etc. The execution, delivery and performance of the Loan Documents by Borrower (a) have been duly authorized by all requisite corporate action (no shareholder action being required pursuant to applicable law) and (b) will not (i) violate (y) any provision of law, rule, regulation or order of any governmental authority or the Articles of Incorporation or Bylaws of Borrower or (z) any provision of any indenture, agreement or other instrument to which Borrower is party or by which Borrower or any of its properties or assets are bound (ii) be in conflict with, result in a breach or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or (iii) result in the creation or imposition of any Lien upon any of the properties or assets of Borrower other than as permitted by the terms hereof.

3.4 Title to Assets. Except for the Security Interest granted to Lenders hereunder, Borrower has good and marketable title to all of its property and assets free and clear of all other Liens.

3.5 Priority Security Interest. The Security Interest granted to Lenders hereunder has priority over all other Liens on the Collateral and is a valid, enforceable, perfected (to the extent capable of perfection by filing) unavoidable first priority security interest in all personal property of Borrower.

3.6 Legal Agreements. This Agreement and the other Loan Documents, upon execution by the respective parties, will constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower and all its successors and assigns, including any bankruptcy trustee or examiner, in accordance with their respective terms.

3.7 Statements. All statements, written or oral, which Borrower has made or provided to Lenders in connection with any Loan Document, taken as a whole, contain no untrue statement of a material fact and do not omit stating a material fact necessary to make such statements not misleading.

3.8 No Default. No Default or Event of Default has occurred and is continuing, and no such Default or Event of Default will occur as a result of the execution and delivery of this Agreement and other Loan Documents.

3.9 Compliance. (i) Borrower is in compliance with all applicable law, rules, regulations and ordinances of any governmental authority having jurisdiction over its business operations; and (ii) Borrower is in compliance with all contracts to which it is a party.

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ARTICLE IV COVENANTS

Borrower covenants, for so long as any of the principal amount of or interest on the Notes is outstanding and unpaid or any duty or obligation of the Borrower hereunder or under any of the other Obligations remains unpaid or unperformed as follows:

4.1 Affirmative Covenants.

4.1.1 Financial Statements and Other Information. Borrower shall deliver to Lenders, within sixty (60) Days from the end of each calendar year, internally prepared financial statements.

4.1.2 Taxes and Other Claims. Borrower shall file when due all required tax returns, shall pay when due all taxes, including without limitation, payroll, real and personal property taxes, sales taxes, assessments and other governmental charges levied or imposed upon it or upon its income or profits or upon any of its property, and shall pay when due all lawful claims for labor, materials and supplied which, if unpaid, might become a Lien upon any property of Borrower; provided, that Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested by Borrower in good faith in appropriate proceedings, provided that adequate reserve has been set aside for the amount in question.

4.1.3 Insurance. Borrower shall obtain and maintain, to the extent of Lenders' interests, insurance in such amounts and with such coverage as is reasonably necessary for the operation of Borrower's business. In the event Borrower fails to pay any premium on any such insurance, Lenders may do so (but shall not be obligated to do so), and Borrower shall reimburse Lenders for any such payment on demand.

4.1.4 Corporate Existence; Compliance with Laws. Borrower shall preserve and maintain its corporate existence and all of its rights, privileges, licenses, permits and franchises, and shall comply with all applicable laws, regulations and ordinances, including without limitation, Environmental Laws and laws relating to ERISA, applicable to Borrower, the operation of its business and such licenses, permits and franchises.

4.1.5 Further Assurances; Initial Collateral Documents. Borrower shall, at its cost and expense, execute, acknowledge and deliver and cause to be executed, acknowledged and delivered, to Lenders all such instruments, including without limitation, financing statements, assumptions and continuation statements, and take all such other action as Lenders may from time to time request for the purpose of further assuring to Lenders the security for the Obligations provided for, or intended to be provided for, in this Agreement and the other Loan Documents and to confirm the Obligations. Further, to the extent Borrower acquires from time to time any additional property within the definition of the term "Collateral," Borrower shall immediately execute and delivery to Lenders such documents as are necessary to grant to Lenders a valid and perfected first priority security interest in such property.

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4.2 **Negative Covenants.** Without the prior written consent of the Lenders:

4.2.1 **Liens.** Borrower shall not create, incur, or permit to exist in favor of any Person any Liens on any of its property now owned or hereafter acquired.

4.2.2 **Indebtedness; Guaranties.** Borrower shall not guarantee, endorse, assume, or otherwise become directly or contingently liable in connection with any obligation of any other Person, except by the endorsement of negotiable instruments by Borrower for deposit or collection or similar transactions in the ordinary course of business.

4.2.3 **Sale of Assets.** Borrower shall not sell, lease, assign, transfer, or otherwise dispose of all or a substantial part of its assets (whether in one transaction or in a series of transactions) to any Person unless the Obligations shall be paid in full.

4.2.4 **Dividends; Capital Stock.** Borrower shall not declare or pay, directly or indirectly, any dividends or make any other distribution or payment, whether in cash, property, securities or a combination thereof, with respect to (whether by reduction of capital or otherwise) any shares of capital stock (or any options, warrants, rights or other equity securities or agreements relating to any capital stock), or set apart any sum for the aforesaid purposes unless the Obligations shall be paid in full.

4.2.5 **Consolidation and Merger; Asset Acquisition.** Borrower shall not consolidate with or merge into any Person, or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all the assets of any other Person.

4.2.6 **Salaries.** Borrower shall not pay excessive or unreasonable salaries, bonuses, commissions, consultant fees or other compensation.

ARTICLE V EVENTS OF DEFAULT; RIGHTS AND REMEDIES

5.1 **Events of Default.** The occurrence of any of the following events shall constitute an "Event of Default":

5.1.1 **Monetary Default.** If Borrower shall default in any payment of (i) the principal of or interest on the Loan or (ii) any of the other Obligations (after three (3) days' written notice) on the Due Date thereof, whether at maturity, by acceleration or otherwise; or

5.1.2 **Non-Monetary Default.** If after ten (10) days' written notice, Borrower shall fail to cure any default in the performance of or compliance with any term or covenant contained in this Security Agreement, other than a term or covenant a default in the performance of which or non-compliance with which is elsewhere specifically dealt with under this Article V; or

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5.1.3 Invalidity Assertion. If Borrower in any pleading filed in any court asserts that any material provision in any of the Loan Documents is invalid or not binding on Borrower; or

5.1.4 Termination, etc. of Security Interest. Except for the termination of the Security Interest upon payment and performance in full of all of the Obligations as provided herein, if the Security Interest shall terminate or otherwise cease for any reason to be in full force and effect.

5.2 Rights and Remedies. Upon the occurrence of an Event of Default, and at any time thereafter during the continuance of such event, Lenders, or any of them, may take any or all of the following actions, at the same or different times, all of which are cumulative and nonexclusive:

(a) declare the Obligations to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without presentment, demand, protest, notice of acceleration, notice of intent to accelerate or other notice of any kind, all of which are hereby expressly waived, anything in this Security Agreement to the contrary notwithstanding;

(b) request Borrower to assemble at its expense the Collateral and make it available to Lenders at a convenient place acceptable to Lenders and, upon making of said request, Borrower shall promptly comply with said request;

(c) give notice to and make demand upon all Account Debtors to make payments directly to Lenders on all Accounts;

(d) seize and take possession of the Collateral and dispose of same under the UCC or otherwise (or to have a receiver appointed for such purpose) and, in such case, if any notice is required under applicable law, the giving of five (5) business days' written notice to Borrower at its address set forth herein shall constitute reasonable notice to Borrower; provided, however, Lenders shall not by virtue of this Security Agreement be obligated to give any such notice to Borrower, and Borrower expressly authorizes Lenders to enter upon all property owned by Borrower for the purpose of taking into custody and seizing any and all of the Collateral;

(e) exercise any and all rights or remedies contained in this Security Agreement or any Loan Document; and

(f) exercise any and all rights and remedies available to Lenders under the UCC and any other applicable law.

All recoveries distributed to the Lenders shall be divided among them as follows:

(i) First, to the holders of the Class A-1 Secured Promissory Notes, in proportion to the amounts owing to each of them;

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- (ii) Second, to the holders of the Class A-2 Secured Promissory Notes, in proportion to the amounts owing to each of them; and
- (iii) Third, to the holders of the Class B Secured Promissory Notes, in proportion to the amounts owing to each of them.

5.3 Application of Proceeds on Default. Upon the occurrence of an Event of Default, all Proceeds shall be applied to the outstanding Obligations, at the Lenders' sole and absolute discretion, without any marshalling of assets (i) first to the expenses of retaking and preparing the Collateral for sale, including expenses of sale, (ii) next to other costs and attorneys' fees incurred by Lenders in exercising rights under this Security Agreement or any of the other Loan Documents, and (iii) next to the payment of interest, fees and principal due on the Obligations in proportion to the amounts owed to the Lenders, in the order specified in Section 5.2, above. Should any deficiency result after disposition of the Collateral, Borrower shall remain liable for any deficiency. Any amounts remaining after such payment in full shall be remitted to Borrower.

5.4 Financing Statements; Direct Payments; Confirmation of Accounts and Audit Rights. Borrower hereby authorizes Lenders to file and maintain UCC financing statements and any amendments thereto or continuations thereof and any other appropriate security documents or instruments and to give any notices necessary or desirable to perfect the Security Interest, in all cases without the signatures of Borrower or with the signature by Lenders as attorney-in-fact for Borrower. Lenders will provide Borrower with notice simultaneously with any such filings made or notices given by Lenders; however, failure by Lenders to provide such notice to Borrower shall not affect the validity of such filings or notices. Borrower further authorizes Lenders upon the occurrence of an Event of Default, to notify any Account Debtors that all sums payable to Borrower and relating to the Collateral shall be paid directly to Lenders and to confirm with any Account Debtors the amounts payable by them to Borrower with regard to the Collateral.

ARTICLE III MISCELLANEOUS

6.1 Waiver and Amendment. No provision of this Security Agreement or any Loan Document or writing contemplated hereby can be waived, modified, amended, abridged, supplemented or terminated, except by a writing executed by Lenders. No delay or failure by Lenders to exercise any right or remedy shall be a waiver thereof, nor shall any single or partial exercise by Lenders of any right or remedy preclude any other exercise thereof or the exercise of any other right or remedy. All rights and remedies of Lenders under this Security Agreement and any other writing are cumulative and not exclusive.

6.2 Costs and Expenses. Borrower shall pay, or shall reimburse Lenders for, and shall indemnify and save Lenders harmless against liability for the payment of all reasonable legal fees and expenses (whether incurred at trial, on rehearing, retrial or appeal, in any bankruptcy proceeding or otherwise) of counsel to Lenders, in connection with enforcement of this Security Agreement, the Notes or any of the other Loan Documents, provided Lenders are

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the prevailing party.

6.3 Addresses. All notices, requests, demands and other communications provided for under this Security Agreement and the writings contemplated by this Security Agreement shall be in writing and shall be delivered in person, deposited in the mail postage prepaid, via overnight courier or by facsimile addressed as follows:

If to Borrower:

Neometrix Acquisition I, Inc.
11921 Freedom Drive
Suite 550
Reston, VA 20190
Attention: President
Facsimile: (703) 995-4667

with a copy to:

Tomer Tal, Esq.
New Venture Attorneys
13620 Lincoln Way
Suite 320
Auburn, CA 95603
Facsimile: (530) 745-0376

If to Lenders:

At the address for each shown on the signature page of this Security Agreement

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be effective when actually delivered, deposited in the mail or with overnight courier service or faxed.

6.4 Binding Effect and Assignment. This Security Agreement and the other writings contemplated by this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns including, but not limited to, any bankruptcy trustees or examiners, except that Borrower shall have no right to assign any of its rights hereunder or thereunder or any interest herein or therein without the prior written consent of Lender. If any provision or application of this Security Agreement, the Notes, or any other writing contemplated hereby is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect the other provisions or applications which can be given effect, and this Security Agreement and such writings shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or therein or prescribed hereby or thereby.

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6.5 **No Third Party Beneficiaries.** The parties intend that this Security Agreement is solely for their benefit and no Person not a party hereto shall have any rights or privileges under this Security Agreement whatsoever either as a third party beneficiary or otherwise.

6.6 **Prior Agreements.** This Security Agreement represents the entire agreement of the parties with regard to the subject matter hereof and the terms of any letters and other documentation entered into between Borrower and Lenders prior to the execution of this Security Agreement shall be replaced by the terms of this Security Agreement. Notwithstanding the foregoing, nothing contained herein shall be deemed to replace or supersede the terms of the Notes or other Loan Documents.

6.7 **Term.** This Security Agreement and the rights and privileges granted hereunder to Lenders, including without limitation, the Security Interest, shall continue and remain in full force and effect until all of the Obligations have been paid and performed in full. At such time as the foregoing conditions are met, Lenders shall execute a termination statement in regard to any Financing Statement filed by Lenders. Until each of the conditions set forth above regarding the term of this Security Agreement is met, the Security Interest shall continue to secure all of the Obligations.

6.8 **Survival of Agreement, Representations and Warranties, etc.** All warranties, representations and covenants made herein by Borrower or in any certificate or other instrument delivered by it or on its behalf in connection with this Security Agreement shall be considered to have been relied upon by Lenders and shall survive and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid. All statements in any such certificate or other instrument shall constitute representations and warranties by Borrower.

6.9 **Headings.** Article and Section headings in this Security Agreement are for convenience of reference only, and shall not constitute a part of this Security Agreement for any other purpose or a limitation of the scope of the particular Articles or Sections to which they refer.

6.10 **Severability.** Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.11 **Execution in Counterparts.** This Security Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument.

6.12 **Time of the Essence.** Time is of the essence of this Security Agreement, the Notes and the other Loan Documents.

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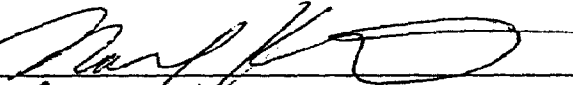
6.13 Construction of Agreement. If in the event it is ever necessary to construe this Security Agreement, it will be construed without giving any effect as to which party drafted this Security Agreement, the parties having agreed that each party, with the benefit of counsel, has reviewed and participated in the preparation of this Security Agreement.

6.14 Governing Law. This Security Agreement and the other Loan Documents shall be governed by and construed in accordance with the laws of the State of Florida.

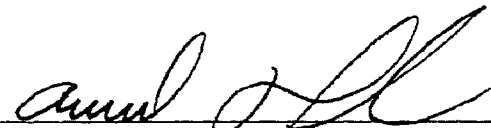
IN WITNESS WHEREOF, the parties have executed this Security Agreement on the date first above written.


"BORROWER"

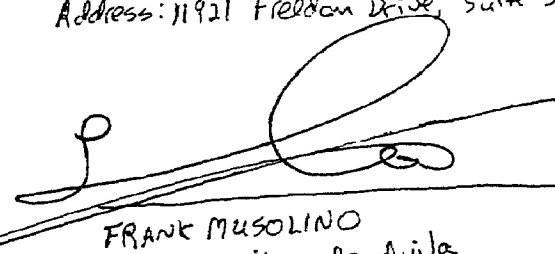
NEOMETRIX ACQUISITION I, INC., a Delaware corporation

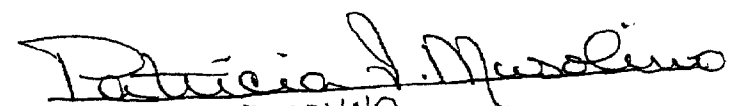
By: 
Its: PRESIDENT

"LENDERS"


Name: ARNOLD FISCHMAN
(Please Print)
Address: c/o X-L Plastics, 220 Clifton Blvd., Clifton NJ 07011

NEOMETRIX TECHNOLOGY GROUP, INC.

CHIEF FINANCIAL OFFICER
Address: 11921 Freedom Drive, Suite 550, Reston, VA 20190


FRANK MUSOLINO
16306 Millan de Avila
Tampa, FL. 33613


PATRICIA I. MUSOLINO
16306 Millan de Avila
Tampa, FL 33613

TRADEMARK RIGHTS ASSIGNMENT

This Assignment is made and executed this 13th day of June, 2003, but effective for all purposes as of April 1, 2003, by 5580 HOLDINGS, INC., a Florida corporation f/k/a ZEOSOFT CORPORATION, having its principal place of business located at 5487 Jet Port Industrial Boulevard, Tampa, Florida 33634 (hereinafter "Assignor"), to and in favor of NEOMETRIX ACQUISITION I, INC., a Delaware corporation having its principal place of business at 8910 Route 108, Suite C, Columbia, Maryland 21045 (hereinafter "Assignee").

Whereas Assignor previously used the marks "ZEOSOFT," "ZEOFUSION," "ZEOSPHERE," "ON DEMAND MOBILE SERVERS," "ON DEMAND MOBILE SERVER NETWORKS," "ZEOLOGIX," "SISLOGIX," "ZEONET," "HRSLOGIX," "FINLOGIX," and "ZEO" (collectively, the "Marks") in interstate commerce and has applied for registration of the Marks with the United States Patent and Trademark Office, which applications have been assigned the Serial/Registration Nos. 78204994, 78205026, 78205001, 78205034, 78205037, 2189374, 2189373, 2184056, 2246650, 2265528, and 2240317, respectively (collectively, the "Trademark Applications and Registrations"); and

Whereas Assignor assigned its entire right, title and interest in and to all trademarks and trademark applications to Assignee for valuable consideration; and

Whereas Assignee has provided such valuable consideration to Assignor;

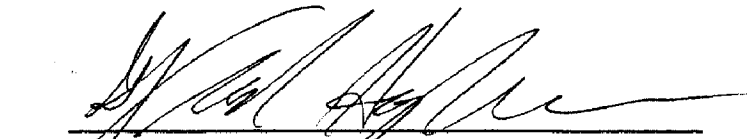
Accordingly, the parties agree as follows:

1. By that certain Bill of Sale and Assignment dated April 1, 2003, Assignor has conveyed and assigned, and by these presents confirms that it hereby conveys and assigns to Assignee Assignor's entire right, title and interest in and to the Marks, the Trademark Applications and Registrations, the portion of its business to which the Marks pertain, and the goodwill symbolized thereby and associated therewith, and all of Assignor's rights, title and interest in and to any and all other marks, domain names or other intellectual property, including but not limited to zeosoft.com, that are variations on or confusingly similar to the Marks, whether registered, unregistered, or subject to an application for registration under applicable law, together with all associated goodwill.
2. Assignor confirms that it has assigned the Marks and the Trademark Applications and Registrations as part of the transfer of the entire business or portion thereof to which the Marks pertain, as required by 15 U.S.C. §1060.
3. Assignor acknowledges that the portion of Assignor's business to which the Marks pertain is ongoing and existing.

4. Assignee may assign the rights under this Assignment in whole or in part. All references herein to Assignee include any successors or assigns of Assignee.

5. Assignor acknowledges that Assignee has provided valuable consideration for the rights granted under this Assignment. Assignor also represents that the undersigned is duly authorized to execute this Assignment on behalf of Assignor.

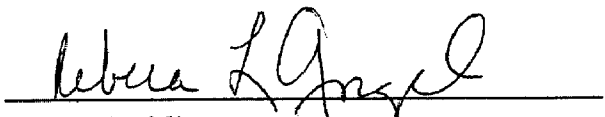
6/13/03
Date


Geoffrey Todd Hodges, Corporate Secretary, 5580 HOLDINGS, INC., f/k/a ZEOSOFT CORPORATION

STATE OF FLORIDA)
) ss.
COUNTY OF HILLSBOROUGH)

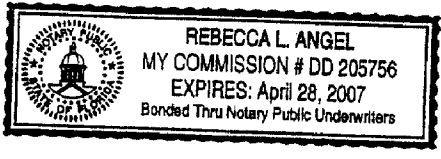
On this 13th day of June, 2003, Geoffrey Todd Hodges, who is known to me to be the person whose name is subscribed to the foregoing instrument, personally appeared and executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have set my hand and official seal.


Notary Public

My Commission Expires:
April 28, 2007

FCH1 #79563 v3



BILL OF SALE AND ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS THAT, for value received, the undersigned, ZEOSOFT CORPORATION, a Florida corporation ("Seller"), does hereby sell, assign, convey and transfer unto NEOMETRIX ACQUISITION I, INC., a Delaware corporation ("Buyer"), all of Seller's right, title and interest in and to the personal property more particularly described on Exhibit "A" attached hereto and made a part hereof.

Seller hereby warrants to Buyer, its successors and assigns, that Seller is the rightful owner of the property conveyed; that Seller is conveying to Buyer good and merchantable title to all of the property conveyed, free and clear of all liabilities, obligations, claims, and encumbrances of any kind or nature; and that Seller (and Seller's successors and assigns) will warrant and defend this sale against the claims and demands of all persons whomsoever; provided, however, that the property conveyed is subject to a lien in favor of the holders of Seller's Series A Convertible Secured Promissory Notes.

Seller hereby covenants and agrees that it will, at the request of Buyer and without further consideration, execute and deliver, and will cause its employees to execute and deliver, such other instruments of sale, transfer, conveyance and assignment, and take such other action as may be reasonably necessary to vest in Buyer, its successors and assigns, good and merchantable title to the property conveyed, free and clear of all liabilities, obligations, claims, and encumbrances of any kind or nature and to put Buyer in control and possession thereof; provided, however, that the property conveyed is subject to a lien in favor of the holders of Seller's Series A Convertible Secured Promissory Notes.

Seller does hereby irrevocably constitute Buyer, its successors and assigns, as Seller's true and lawful attorney-in-fact, with full power of substitution, in Seller's or Buyer's name, to claim, demand, collect and receive the property conveyed.

This instrument shall be binding on Seller and its successors and assigns, and shall inure to the benefit of Buyer and its successors and assigns.

Dated this 1st day of April, 2003.

SELLER:

ZEOSOFT CORPORATION

By: 

Its: *President & CTO*

EXHIBIT "A"

All trademarks and trademark applications, and all patents and patent applications, including specifically the following:

Patent No. 6,125,363 (entitled "Distributed Multi-threaded Application Development System and Method")

Patent Application Serial No. 09/670,988 (entitled "Distributed Multi-threaded Application Development System and Method"), filed 9/26/00

Provisional Patent Application No. 60/337,579 (entitled "System for Development, Management, and Operation of Distributed Clients and Servers"), filed 10/26/01

Non-provisional Patent Application No. 10/268,924 (entitled "System for Development, Management, and Operation of Distributed Clients and Servers"), filed 10/11/02

All goodwill associated with the patents, patent applications, trademarks, and trademark applications.

All computer software developed by Seller, including all documentation thereof and all other intellectual property of Seller.

All rights to use the name "Zeosoft;"

All marketing or promotional designs, brochures, advertisements, concepts, literature, books, media rights, rights against any person in respect of any of the foregoing and all other promotional properties.

The sum of \$250,000 in cash;

All other intangible assets, including without limitation all customer lists, goodwill, "know-how," proprietary information and trade secrets relating to the Seller's business operations; and all manufacturers' warranties (including pending warranty claims) and manuals

All of the Seller's lease deposits on leases assumed by Buyer;

All permits relating to the operation of Seller's business, to the extent such permits are transferable.

All real property leases of Seller, to the extent such are assignable.

All rights to use the telephone and facsimile machine numbers assigned to Seller's places of business in Arizona and New Jersey.

All papers, documents, computerized databases and records of Seller relating to the foregoing, including without limitation all software design documents, source code, employer records and workers' compensation records relating to employees hired by the Buyer, sales records,

TRADEMARK

REEL: 002770 FRAME: 0743

marketing records, accounting and financial records, and maintenance and production records.

All claims, causes of action, rights of recovery and rights of setoff of every type and kind relating to the foregoing.