

MRD
3/3/00

04-10-2000



101312684

1. Cruise Web Software Development, Inc., Inc., a California corporation ("CWSD"), located at 9665 Chesapeake Drive, Suite 401, San Diego, California 23559 is the owner of trademarks and has granted a collateral interest in the trademarks.
2. Arnold Kum, an individual, residing 1948 Alpha Avenue, South Pasadena, California 91030 and Terry Mamman, an individual, residing at 17975 Highlands Ranch Terrace, Poway, California 92064 each are the beneficiary of the collateral assignment of said trademarks.
3. CWSD is granting a security interest in the trademarks as evidenced by that certain Security Agreement executed February 14, 2000.
4. The trademarks assigned as collateral are:

<u>Mark</u>	<u>Registration Number</u>	<u>Date of Issue</u>
Club Seaquel	1,852,643	September 6, 1994
Cruise Holidays Exclusives	1,835,723	May 10, 1994
Land & Sea Vacations (and design)	2,052,322	April 15, 1997
Lets Build The Memory	1,862,023	November 8, 1994
We Promise Great Cruise Vacations	1,846,400	July 19, 1994
Cruise Vacation Network	2,029,355	January 7, 1997
Cruiseweb	2,082,255	July 22, 1997
"Miscellaneous Design"	1,878,014	February 7, 1995
Let Captain Cruise Show You A Real Vacation	1,848,741	August 9, 1994
Cruise Holidays (and design)	1,476,229	February 9, 1988
Cruise Holidays Compass	1,815,880	January 11, 1994
Cruise-ventions	1,738,603	December 8, 1992
Cruise Holidays Club Seaquel	1,843,233	
Cruise Holidays	Application #75/702365	

04/10/2000 DCDATES 00000012 1852643

01 FC:481 40.00 OP
02 FC:482 325.00 OP

TRADEMARK
REEL: 002048 FRAME: 0948


5. All correspondence with the recording of the Security Agreement should be sent to:

Gary A. Plotkin
Plotkin, Rapoport & Nahmias
16633 Ventura Boulevard, Suite 800
Encino, California 91346-1836

6. A check in the amount of \$365 representing the filing fees for 14 trademarks is attached.

To the best of my knowledge and belief, the information contained on this cover sheet is true and correct and the copy of the Security Agreement submitted herewith is a true copy of the original document.

Dated: 2-29-2000



Gary A. Plotkin, Esquire

EW-CO35830001\TRADEMARK.CS

#41

**SECURITY AGREEMENT
CRUISE WEB SOFTWARE DEVELOPMENT, INC.**

CONTENTS

SECTION

1. Security; Enforcement; Application of Proceeds
2. Obligor's Representations and Warranties
3. Affirmative Covenants of Obligor
4. Negative Covenants of Obligor
5. Expenses
6. Insurance Provisions
7. Governing Law
8. Waiver
9. Rights and Remedies
10. Notices
11. Amendment
12. Section Headings

THIS SECURITY AGREEMENT dated the 14th day of February, 2000, between Terry Mammen and Arnold Kum c/o Plotkin, Rapoport & Nahmias, 16633 Ventura Blvd., Suite 800, Encino, CA 91436-1836 ("Secured Party") and Bye Bye Now. Com, a corporation organized under the laws of Florida with its principal place of business at 1100 Park Central Blvd. South, Suite 1800, Pompano Beach, FL, 33064 (the "Obligor"); Cruise Acquisitions, Inc., a wholly owned subsidiary of Bye Bye Now. Com., Inc., ("CAI"), and Cruise Web Software Development, Inc. ("Cruise Web"), (the "Pledgor").



WITNESSETH:

WHEREAS, concurrently with the execution of this Agreement, the Secured Party and the Obligor are entering into a Agreement and Plan of Reorganization & Stock Purchase Agreement (the "Stock Purchase Agreement", which term will include any amendments thereto), pursuant to which the Obligor agrees to pay certain monies to the Owner and perform other obligations for the benefit of Owner; and

WHEREAS, to induce the Secured Party to enter into the Stock Purchase Agreement and in consideration thereof, the Obligor, Guarantor and Pledgor have agreed and hereby grant the Secured Party a first lien position ("security interest") in certain specified assets of Cruise Web, all on the terms hereinafter set forth;

NOW, THEREFORE, the parties hereby agree as follows:

1. Security; Enforcement; Application of Proceeds.

(a) To secure payment and performance of its obligations under the Guarantee from Cruise Web in favor of Secured Party (the "Cruise Web Guarantee") and this Agreement, Cruise Web hereby transfers, assigns and pledges to the Secured Party and grants the Secured Party a security interest in all of the following assets of Cruise Web (collectively called the "Collateral"):

(i) All intellectual property, including but not limited to Cruise Web Software Development, Inc. software program which includes, but is not limited to all codes, related source information, manuals, master license agreement between Cruise Web Software Development, Inc. and Cruise Holidays International, Inc., copyrights, trademarks, registered marks, trade names, if any, and all additions and modifications to each.

This security interest shall include all existing as well as hereinafter acquired assets. Cruise Web shall execute all documents required by Secured Party in furtherance of Section 1(a)(i) herein.

(ii) any collateral securing any of the foregoing.

(iii) the proceeds from any of the foregoing including, without limitation, proceeds from any insurance insuring the same against risk of loss or non-payment.

(b) Upon (i) failure by Cruise Web to perform any of its obligations or covenants, whether under the Cruise Web Guarantee or this Agreement or any other agreement, (ii) any representation or warranty made by Cruise Web to the Secured Party, whether under the Cruise Web Guarantee, this Agreement or any other agreement, being false, (iii) the occurrence of any other default under the Cruise Web Guarantee, Secured

Party can exercise its rights and powers of a Secured Party after default pursuant to the Uniform Commercial Code of the State of Florida, including selling any of the Collateral at public sale in a commercially reasonable manner and on such terms as it deems appropriate. At any such sale the Secured Party may be the purchaser.

- (c) The receipts and other proceeds from any of the Collateral will be applied as follows: *first*, to the satisfaction of all obligations of the Obligor to the Secured Party under the Cruise Web Guarantee and this Agreement in such order as the Secured Party determines; and *then*, any balance to the Obligor.

2. **Cruise Web's Representations and Warranties.** Cruise Web hereby makes the following representations and warranties for the benefit of the Secured Party:

- (a) it is duly incorporated and validly existing under the laws of California; it is duly qualified to conduct business in the State of Florida and State of California; and it has the corporate power and authority to own its property and assets and to carry on its business as it is now being conducted;
- (b) it has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement, the Stock Purchase Agreement and any other agreements and documents (collectively called the "Other Agreements") executed under or in connection with this Agreement and the Stock Purchase Agreement, and it has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement, the Stock Purchase Agreement and the Other Agreements; this Agreement, the Stock Purchase Agreement and the Other Agreements constitute the legally binding obligations of Cruise Web and are enforceable against Cruise Web in accordance with their respective terms;
- (c) neither the execution nor the delivery of this Agreement, the Stock Purchase Agreement or any of the Other Agreements, nor the transactions contemplated hereby or thereby, nor compliance with the terms and conditions hereof or thereof will:
- (i) contravene (A) any provision of the Certificate of Incorporation or by-laws of Cruise Web, or (B) any provision of any law, statute, decree, rule or regulation as to which Cruise Web or any of its property is bound, or (C) any judgment, decree, franchise, order or permit applicable Cruise Web or any of its property;
- (ii) conflict with, or result in any breach of any terms, covenants, conditions or provisions of, or constitute a default (with or without the giving of notice or passage of time or both) under or pursuant to the terms of any other agreement or instrument to which the Cruise Web is a party or by which it is bound; or



- (iii) result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the Cruise Web;
- (d) no authorization, consent or approval of, or exemption by, any governmental, judicial or public body or authority is required to authorize or is required in connection with the execution, delivery and performance by Cruise Web of this Agreement, the Stock Purchase Agreement or any of the Other Agreements;
- (e) Cruise Web is not in default and would not with the giving of notice or passage of time or both be in default under any agreement to which it is a party or by which it or any of its property may be bound; and no litigation, arbitration or administrative proceeding is currently pending or threatened which might have an adverse effect on the business, assets or financial condition of Cruise Web;
- (f) there is no order, writ, injunction or decree of any court, government or governmental agency affecting Cruise Web or any of its businesses, assets or interests;
- (g) as of the date hereof Cruise Web's chief executive office is located at: the office of Long Beach New, Com, Inc. and the office at which Cruise Web maintains its books and records and a registered office is in the same location, Cruise Web has no other offices;
- (h) there are no claims, security interests, options, rights or other privileges outstanding with respect to any of the Collateral or any of Cruise Web's other assets.

3. **Affirmative Covenants of Cruise Web.**

- (a) Cruise Web will provide Secured Party with the financial information as required in paragraph 5.3 of the Stock Purchase Agreement.
- (b) Cruise Web will immediately notify the Secured Party of any change in its name or identity or corporate structure or in the location of its Cruise Web's chief executive office or where its books and records are kept.
- (c) Cruise Web will take or cause to be taken such action and execute and deliver or cause to be executed and delivered such other documents as the Secured Party may request:
 - (i) in connection with this Agreement and any of the Collateral, and
 - (ii) to perfect and to maintain the perfection of the Secured Party's security interest in any of the Collateral, including, without limitation, delivering any Collateral to the Secured Party and executing and filing financing and other statements under the Uniform Commercial Code in effect in any jurisdiction;

and the Obligor hereby authorizes the Secured Party to sign and file any such statement on its behalf or file any such statement without its signature.

4. **Negative Covenants of Cruise Web.** Cruise Web will not, so long as there is any obligation due by Obligor to Secured Party, without prior written consent of the Secured Party:

- (a) Not amend or restate its articles of incorporation or bylaws without the consent of the Secured Party, which consent shall not be unreasonably withheld, or adopt a plan of liquidation or dissolution.
- (b) Not declare or pay any dividend or distribution on any stock of its stock, make any other distribution on account of any stock of its stock or redeem, purchase or otherwise acquire, directly or indirectly, any stock of its stock.
- (c) Not create, incur, assume, or suffer to exist any obligation for borrowed money other than current accounts payable and similar current liabilities incurred in the ordinary course of business from the date of this Agreement.



(d) ~~During any calendar year, not make capital expenditures (as determined in accordance with generally accepted accounting principles) that would exceed \$ _____ in the aggregate.~~

(e) Not to merge with or into any other corporation or entity, or to sell, lease, transfer, or otherwise dispose of in a single transaction more than 10% of the Company's assets (other than in the ordinary course of business).



Agrees to:

(f) Maintain insurance in such amounts and against such liabilities and hazards as is reasonable for the industry in which the Company operates, but not less than the amount maintained by Cruise Web as of February 1, 2000.

(g) Provide the Secured Party with the financial information as required in Paragraph 5.3 of the Purchase Agreement.

(h) Upon reasonable notice from the Secured Party, permit the Secured Party or his/her representatives to visit and inspect any of its properties, to examine its corporate books and financial records and to discuss with its officers its affairs, finances, and accounts, which shall occur at reasonable times, during normal business hours and in a reasonable manner.

5. **Expenses.** Cruise Web will reimburse the Secured Party for or at the request of the Secured Party pay:

(a) expenses (including, without limitation, legal fees and disbursements and court costs and the cost of appellate proceedings) incurred by the Secured Party in connection



with (i) enforcing, preserving and defending any rights and any security interest under this Agreement or the Stock Purchase Agreement, (ii) protecting and collecting any of the Collateral, and (iii) any proceeding respecting any of the foregoing.

6. Insurance provisions—General form: Damage; loss; destruction Insurance Requirement

Until all obligations secured by this Agreement have been paid in full, Cruise Web will, to the extent that Obligor has not provided the insurance required pursuant to Section 4.25 of the Stock Purchase Agreement, at its expense, maintain insurance against all risks of damage to and loss (including theft) or destruction of the Collateral with such insurers, in such amounts, with such deductibles and such exceptions, and on such other terms as the Secured Party and Obligor have agreed upon pursuant to Section 4.25 of the Stock Purchase Agreement, attached hereto as "Exhibit A" and incorporated herein; but, in any event, the amount and terms of the insurance will be such that no insured under the policy will be a co-insurer of any of the risks covered by the policy. The Secured Party will be a named insured without liability for premiums and will be the sole loss payee under all such insurance. It is expressly understood that the insurance obligation of the Obligor under the Purchase Agreement and the Cruise Web obligation herein are singular and shall not be duplicative.

Confirmation of Coverage

On execution of this Agreement and on each anniversary of the date of this Agreement and at any time on request by the Secured Party, Cruise Web will furnish the Secured Party, to the extent that Obligor has not provided the insurance required pursuant to Section 4.25 of the Stock Purchase Agreement, with a certificate issued by the insurer or by a licensed insurance broker confirming that the insurance coverage required under this Agreement is maintained and in full force and effect. In addition, at the request of the Secured Party, the original or certified copies of the actual policies showing the existence of insurance in accordance with this Agreement will be delivered to the Secured Party.

Notice

The insurance will provide for prompt written notice to the Secured Party, of any failure to pay a premium and for at least thirty (30) days' prior written notice to the Secured Party of cancellation or non-renewal of the policy and of any material change in the coverage or in any of the other terms of the insurance.

Application of Payments



The Secured Party will, in its reasonable discretion, either (i) apply any payments under the insurance in satisfaction of the obligations secured by this Agreement, or (ii) apply such payments to repair or replace the damaged, lost or destroyed Collateral.

Attorney-in-Fact

Cruise Web irrevocably appoints the Secured Party its attorney-in-fact to make claim for and to execute any documents in connection with any claim for, to receive payment of, and to execute and endorse all checks, drafts and other instruments received in payment for, any loss, damage or destruction covered by the insurance. Cruise Web will not settle any claim under the insurance without the Secured Party's written consent, and the Secured Party may settle any claim under the insurance for such amount and on such terms as the Secured Party, in its sole and absolute discretion determines; and the Secured Party will incur no liability to Cruise Web by reason of any settlement which it makes. Cruise Web will execute such documents as the Secured Party requests to confirm or effect the provisions of this paragraph.

7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of Florida.
8. **Waiver.** No failure to exercise and no delay on the part of the Secured Party in exercising any right, power or privilege hereunder or granted to it by law will operate as a waiver thereof, and any single or partial exercise of any right, power or privilege shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Waiver by the Secured Party of any right or other matter may only be made by an instrument in writing signed by the Secured Party.
9. **Rights and Remedies.** The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or by any other agreement. The Secured Party will not be required to resort to or pursue any of its rights or remedies under or with respect to any other agreement or with respect to any other collateral, guarantee or other security before pursuing any of its rights or remedies under this Agreement. The Secured Party may pursue its rights and remedies in such order as it determines. Such rights shall include the right to be paid for reimbursement of reasonable attorneys' fees and costs to enforce the terms of this Agreement.
10. **Notices.** All notices, requests, demands and other communications must be in writing and may be delivered personally or sent by mail, courier, fax, or other written means of communication addressed to each of the parties at their addresses or fax numbers set forth below, or to such other addresses or fax numbers as to which notice is given:
 - (a) if to the Obligor: Bye Bye Now.Com, 1100 Park Central Blvd. South, Suite 1800,



Pompano Beach, FL 33064

Fax: _____

(b) if to the CAI: Cruise Acquisitions, Inc., c/o Bye Bye Now.Com, 1100 Park Central Blvd. South, Suite 1800, Pompano Beach, FL 33064

Fax: _____

(c) if to Cruise Web: Cruise Web Software Development, Inc. c/o Bye Bye Now.Com, 1100 Park Central Blvd. South, Suite 1800, Pompano Beach, FL 33064

Fax: _____

(d) if to the Secured Party: Terry Mammen and Arnold Kum c/o Plotkin, Rapoport & Nahmias, Attn: Gary A. Plotkin, Esq., 16633 Ventura Blvd., Suite 800, Encino, CA 91436-1836

Fax: 818-907-9261

Terry Mammen, 17975 Highlands Ranch Terrace, Poway, CA 92064

Fax: 858-673-6944

Arnold Kum, 1948 Alpha Avenue, South Pasadena, CA 91030

Fax: 323-255-4364

(e) if to Shoreline Partners: Tim Malott, Shoreline Partners, LLC, 4350 La Jolla Village Drive, Suite 320, San Diego, CA 92122


Notice shall be deemed given on receipt.

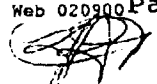
11. **Amendment.** This Agreement may not be amended or terminated except by an instrument in writing signed by Cruise Web and the Secured Party.

12. **Section Headings.** Section headings are for purposes of convenience only and shall have no bearing on the interpretation of any provision in this Agreement.

IN WITNESS WHEREOF, the Secured Party and Cruise Web have executed this Agreement as of the day and year first above written.

Terry Mammen, Secured Party


By: 
Terry Mammen, Individually



Arnold Kum, Secured Party


By: 
Arnold Kum, Individually

Cruise Web Software Development, Inc., Pledgor

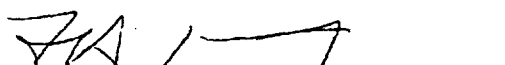
By: 
Name: Fred A. Schwartz
Title: VP.

Approved as to form and content by:

Bye Bye Now. Com, Inc.

By: 
Name: Fred A. Schwartz
Title: VP.

Cruise Acquisitions, Inc.

By: 
Name: Fred A. Schwartz
Title: VP.