

U.S. P/

03-28-2001

Docket No. 02990.0125



TRADEMARK F

101669730

SHEET

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

Submission Type

MRD 3.22.01

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

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
Effective Date
Month Day Year
04 14 2000
- Merger
- Change of Name
- Other _____

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year
04 14 2000

Name ForeAmerica, Inc.

Formerly _____

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

Receiving Party

Mark if additional names of receiving parties attached

Name Carl M. Freeman, Inc.

DBA/AKA/TA _____

Composed of _____

Address (line 1) 11325 Seven Locks Road

Address (line 2) _____

Address (line 3) Potomac MD 20854
City State/Country Zip Code

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

FOR OFFICE USE ONLY

40E

03/27/2001 TDIAZ1 00000116 75979956

01 FC:481 40.00 DP

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

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name _____
 Address (line 1) _____
 Address (line 2) _____
 Address (line 3) _____
 Address (line 4) _____

Correspondent Name and Address

Area Code and Telephone Number 202-663-8000

Name Kathy J. McKnight
 Address (line 1) 2300 N Street, NW
 Address (line 2) Washington, D.C. 20037-1128
 Address (line 3) _____
 Address (line 4) _____

Pages Enter the total number of pages of the attached conveyance document including any attachments. # 1

Trademark Application Number(s) or Registration Number(s) Mark if additional numbers attached

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

Trademark Application Number(s)			Registration Number(s)		
<u>75/979956</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Number of Properties Enter the total number of properties involved. # 1

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$ 40.00

Method of Payment: Enclosed Deposit Account

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

Deposit Account Number: # 19-1565

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Kathy J. McKnight
 Name of Person Signing

Kathy McKnight
 Signature

3/22/01
 Date Signed

SECURITY AGREEMENT

THIS AGREEMENT, executed on this 14th day of April, 2000 by and between FOREAMERICA, INC. (hereinafter referred to as "Debtor"); and CARL M. FREEMAN, INC., a Maryland corporation (hereinafter referred to as the "Secured Party").

WITNESSETH:

WHEREAS, on the date hereof the Debtor has executed and delivered that certain Secured 10% Convertible Note in the principal amount of \$1,000,000 (the "Note");

WHEREAS, to secure the obligations of the Debtor under the Note, the Debtor hereby desires to execute and deliver this Security Agreement in order to provide a security interest in and to Debtor's assets as security for the obligations contained in the Note;

NOW, THEREFORE, in consideration of the mutual promises and covenants and in reliance upon the representations and warranties hereinafter contained, subject to the terms and conditions of this Security Agreement, it is hereby agreed by and between Secured Party and Debtor as follows:

SECTION 1

DEFINITIONS

1.1 "Account Debtor" means and includes the buyer, recipient and/or transferee of goods and/or services and/or who is an obligor of an Account Receivable.

1.2 "Accounts Receivable" and/or "Accounts" means and includes all accounts, contract rights, general intangibles, chattel paper, notes, drafts, acceptances, instruments, documents and other forms of obligations now owned and/or hereafter acquired by the Debtor evidencing any obligation, for the payment for goods sold or leased and/or services rendered, or otherwise.

1.3 "Agreement" shall mean and refer to this Security Agreement, together with all subsequent modifications and amendments hereof or hereto.

1.4 "Collateral" means and includes any and all goods, Equipment, Inventory, Accounts Receivable, contract rights (specifically including, but not limited to, that certain Contract dated as of March 8, 2000 by and among the Debtor, Sysops, Inc., Internet Business Strategies, Inc., NetRes Company, LLC and Ocean City Golf Getaway, Inc., and the addendum thereto dated as of March 31, 2000 (the "OCGG Contract"), general intangibles (including but not limited to any and all internet domain names), fixtures, chattel paper, instruments, documents and/or any and all computer software, hardware or source codes, whether now owned or hereafter acquired by Debtor, and the proceeds and/or products thereof, including all returns and/or repossessions thereof and all tangible or intangible personal property which is now, or may hereafter come within the control and/or possession of Secured Party, as well as any and all other items set forth on any financing statements filed with respect to this Security Agreement.

The Collateral shall include, but shall not be limited to, the items set forth on Exhibit A attached hereto.

1.5 "Equipment" means and includes all goods, equipment, fixtures, furniture, machinery, tools and other items of personal property (other than Inventory) of every kind and description, presently owned or hereafter acquired by the Debtor and wheresoever located, together with all additions, attachments, accessions, parts, replacements, substitutions and/or renewals thereof or therefor.

1.6 "Indebtedness" means and shall include (i) all indebtedness and liabilities of whatsoever kind, nature and description owed to Secured Party by Debtor, whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever evidenced or acquired, and whether joint and/or several; (ii) all future advances made by the Secured Party for the protection or preservation of the Secured Party's rights and interest arising hereunder or in the Collateral including, by way of illustration but without limitation, advances for taxes, levies, assessments, insurance and/or maintenance of the Collateral; and (iii) all costs and expenses incurred by the Secured Party in the protection, enforcement and/or collection of any of the foregoing including, by way of illustration but without limitation, attorneys' fees.

1.7. "Inventory" means and includes all goods, merchandise, products and/or commodities and/or other merchandise which is owned by Debtor with respect to the conduct of its business and any other goods, merchandise, products now owned or hereafter acquired by Debtor and used and/or useable in connection with the business of Debtor.

1.8. "Permitted Encumbrances" shall mean and refer to any liens and encumbrances permitted by Secured Party in writing.

1.9 "Uniform Commercial Code" means the Uniform Commercial Code as adopted in the Commonwealth of Virginia.

SECTION 2

SECURITY INTEREST(S)

2.1 As security for the payment to Secured Party of the obligations of Debtor arising under the Note and for payment to Secured Party of all of the Indebtedness and for the performance of any and all of the duties and/or obligations of Debtor hereunder, and any and all other contracts, agreements and/or instruments executed in connection herewith, Debtor does hereby grant, assign and convey to Secured Party a continuing security interest in and to the Collateral, and the proceeds and products thereof.

2.2 Debtor shall execute and deliver to Secured Party, concurrently with the execution of this Security Agreement and at any time(s) hereafter, all financing statements, security agreements, mortgages, schedules of accounts assigned, contracts, chattel paper and other instruments and document which Secured Party may request, in form and substance satisfactory to Secured Party, to perfect and maintain the Security Interest(s) and/or Lien(s) granted to Secured Party by Debtor in and to the Collateral, and in order to fully consummate

any of the transactions contemplated hereunder or under any other agreement, instrument or document hereafter executed by Debtor and delivered to Secured Party.

SECTION 3

REPRESENTATIONS AND WARRANTIES

In order to induce the Secured Party to enter into the Note, Debtor represents and warrants to Secured Party, as follows:

3.1 Debtor is a corporation duly organized, legally existing and in good standing **under the laws of the State of Delaware.**

3.2 Debtor has the power and is duly authorized to enter into this Security Agreement and to execute and to deliver to Secured Party, now and from time to time hereafter, additional agreements, assignments, guaranties, pledges, mortgages, and other instruments and/or documents relating to the borrowing of monies from Secured Party and the granting of security interest(s) and lien(s) upon the Collateral to secure the payment of the Indebtedness.

3.3 Debtor has, by appropriate action, authorized, empowered and directed the undersigned to execute and deliver this Security Agreement and/or any agreements, instruments and/or documents executed and delivered in connection herewith for and on behalf of Debtor.

3.4 The execution of Debtor of this Security Agreement and/or any other agreement, security agreement, assignment, guaranty, pledge, mortgage, instrument and/or document which may, from time to time hereafter, be executed in respect hereto and delivered to Secured Party, shall not constitute a breach of any provision(s) contained in its Articles of Incorporation, its Bylaws and/or any agreements(s) to which it is now a party, and that the performance by it of its obligations hereunder or under any agreement(s) now executed by it and delivered to Secured Party, shall not constitute an event of default under any other agreement of which it is now a party.

3.5 All financial statements and/or information relating to Debtor which have been or which hereafter may be delivered by or for Debtor to Secured Party or its representatives are true and correct and have been prepared in accordance with generally accepted accounting principles, consistently applied, that there has been no material adverse change in its financial condition since the submission of any financial information to Secured Party and no such material adverse change in its financial condition is imminent or threatened.

3.6 There is no litigation, administrative proceeding, investigation or other action of any nature pending, or to the knowledge of Debtor threatened, against or affecting it which involves the possibility of any judgment or liability not fully covered by insurance or which may materially or adversely affect any of the Collateral, or its right of carry on its business as now conducted. Details of all litigation, administrative proceedings, investigations or other action of similar nature, pending or threatened against it, at any time during the term of this Security Agreement will be brought to the attention of Secured Party, in writing, forthwith.

SECTION 4

AFFIRMATIVE COVENANTS

The Debtor hereby covenants and agrees with Secured Party that so long as Debtor shall be indebted to Secured Party, and until payment in full of the Indebtedness, it will:

4.1 Keep all of its assets insured, at its own expense, against loss or damage by fire, explosion and such other risks ordinarily insured against by other owners or users of property in similar businesses for the full insurable value thereof, by policies of insurance in such form, in such amounts and with such companies as may be satisfactory to Secured Party, insuring Debtor and payable to Secured Party, and otherwise maintain such insurance as is customarily maintained by similar businesses and/or as may be required by law or Secured Party.

4.2 Maintain, preserve and keep its assets and properties and every part thereof in good repair, working order and condition and, from time to time, make all needful and proper repairs, renewals, replacements, additions, improvements and such maintenance thereto, so that at all times the efficiency thereof shall be fully preserved and maintained.

4.3 Promptly pay and discharge all taxes, assessments and governmental charges upon or against Debtor or its respective property and/or assets prior to the date upon which penalties attach thereto, unless and to the extent that such taxes, assessments and governmental charges are being diligently contested, in good faith and by appropriate proceedings, and appropriate reserves thereof have been established and, further, promptly pay and discharge all lawful claims, whether for labor, material, supplies, services or otherwise which might or could, if unpaid, become a lien or charge upon the properties and/or assets of Debtor, unless and to the extent only, that same are being diligently contested, in good faith and by appropriate proceedings, and appropriate reserves thereof have been established.

4.4 Pay and discharge any and all uncontested trade payables or other unsecured debts timely and in the ordinary course of business.

4.5 Carry on and conduct its business in substantially the same manner and in substantially the same fields as such business is now or has heretofore been carried on, and maintain its corporate existence and comply with all valid and applicable statutes, rules and/or regulations.

4.6 Furnish to Secured Party such information as Secured Party may, from time to time, request and allow Secured Party, by or through its officers, agents, attorneys and/or accountants, to examine and inspect the books and records of Debtor and to make abstracts and copies thereof, and, further, to visit and inspect any of the Collateral or other property of Debtor wherever the same may be located. The costs and expenses incurred by Secured Party hereunder shall, prior to a default hereunder, be borne by Secured Party, and, after a default hereunder, shall be borne by Debtor, payable on demand and secured by the Collateral.

4.7 Furnish, on a weekly basis, to Secured Party management prepared sales, accounts receivables and accounts payable reports and summary of operations and furnish on a monthly basis to Secured Party, management prepared financial statements showing variances.

4.8 Notify Secured Party forthwith of any material loss or depreciation in the value of the Collateral.

4.9 In regard to Accounts and/or Accounts Receivable:

(a) Until otherwise notified by Secured Party, collect its Accounts and/or Accounts Receivable in the ordinary course of its business, and promptly furnish to Secured Party all information and records relating thereto as Secured Party shall request; and

(b) Upon Secured Party's request, promptly deliver to Secured Party with appropriate endorsement and/or assignment, all instruments, chattel paper and/or item of payment representing proceeds of or arising from an Account and/or Account Receivable, and hold as the sole property of Secured Party, and as trustee for Secured Party, all monies, checks, notes, drafts and other property in the nature of items of payment representing proceeds of any Account and/or Account Receivable which comes into its possession, and upon the request of Secured Party, immediately transmit all such items of payment and proceeds in the exact form received by Debtor to Secured Party or, if directed by Secured Party, in writing, to an agent or special account of Secured Party as specified.

4.10 Secured Party shall have the right at any time, whether before or after default by Debtor, to notify any and all Account Debtors to make payment thereof directly to Secured Party.

4.11 Secured Party shall have the right in its own name or in the name of Debtor to enforce payment and collect the Accounts (by legal proceedings or otherwise), to take control in any manner of any cash or non-cash items or payment or proceeds thereof, to demand, receipt for, compound, settle, compromise, sell, assign, extend or reveal any and all amounts due or to become due on the Accounts, upon such terms, in such amount, and at such times as Secured Party may deem advisable and to discharge and release in the name of Debtor and Secured Party any such debt.

4.12 Debtor does hereby irrevocably make, constitute and appoint Secured Party, any of its officers, employees and/or agents, effective upon an Event of Default hereunder, its true and lawful attorney, with power to receive, open and dispose of all mail addressed to it, to execute in its name such directives and forms as may be required to change the delivery address of all mail of Debtor and instruct the postmaster to deliver the same to Secured Party: to endorse Debtor's name upon such checks, notes, acceptances, drafts, money orders or other instruments and evidences of payment that may come into the possession of Secured Party, and to deposit the same to the account of Secured Party on account of Indebtedness owing to Secured Party when the same are clear and honored: to endorse Debtor's name upon any chattel paper,

invoice, or other instrument or document relating to any Account Receivable, or otherwise; and to sign Debtor's name to verification of Accounts Receivable and notices thereof to Account Debtors.

4.13 Notify Secured Party forthwith of any default on any payment of principal or interest on any obligation of any other person for borrowed money or of any default in performance of any term, condition and/or covenant contained in any other note(s) or agreement(s) which in itself, or with the giving of notice or lapse of time, or both, may allow acceleration of the maturity of the entire outstanding indebtedness of any liability.

SECTION 5

NEGATIVE COVENANTS

The Debtor hereby covenants and agrees with Secured Party so long as any of the Indebtedness shall remain outstanding and unpaid to Secured Party, Debtor will not, without the express, prior, written consent of Secured Party:

5.1 Substantially change the character of its business as presently conducted.

5.2 Invest in, organize or participate in the organization and/or creation of any other corporation, partnership, association, proprietorship and/or any other business organization or merge, consolidate with or into any other corporation, partnership, proprietorship, and/or any other business organization.

5.3 Sell, lease or otherwise dispose of any of its assets, properties or business other than in the ordinary course of business.

5.4 Other than Permitted Encumbrances, suffer or permit any security interest, lien and/or encumbrances upon any of its properties, assets and interests in property or assets, except to Secured Party.

5.5 Incur any debts, whether by borrowing or otherwise, outside of the ordinary course of business, or guaranty or otherwise become in any way liable with respect to the obligation of any other firm, person or corporation, except by endorsement of the instruments or items of payment for deposit to the general account of Debtor which are transmitted or turned over to Secured Party on account of the Indebtedness owing from Debtor to Secured Party.

5.6 Make any advances, directly or indirectly, by way of loan, guaranty or otherwise, to any firm, person or corporation, including any companies controlled by or affiliated with the Debtor, or to any officer, director stockholder or employee of Debtor.

5.7 Purchase, lease or otherwise acquire, or enter into any commitment of purchase, lease or otherwise acquire, capital assets other than in the ordinary course of business.

5.8 Suffer or permit the proceeds of any loans or advances provided for herein to be used for any purpose other than as permitted and/or contemplated herein.

5.9 Suffer or permit any local, state and/or federal license, permit or authorization required in connection with the conduct or operation of Debtor's business to be terminated, revoked, rescinded or suspended for any reason.

5.10 Suffer or permit the premises at which the Debtor is located or conducts its business and/or the Collateral to be used or permitted to be used for the purpose of making, storing, treating or disposing of toxic or hazardous substances or wastes or otherwise in violation of any present or future federal, state or local environmental law, rule or ordinance.

5.11 Increase the salary or other compensation of any officer or director of Debtor above the amount of salary or other compensation which they now receive, or adopt or amend any bonus, pension, profit sharing, stock purchase, option and/or retirement plan(s) covering any officer or director of Debtor.

SECTION 6

EVENTS OF DEFAULT

Each of the following shall be Events of Default hereunder:

6.1 Debtor shall default in the performance or observation of any obligation to Secured Party or there shall be a breach of any covenant, warranty or condition hereof or in the Note or any document executed in connection therewith, or any representation herein is or has become untrue;

6.2 Debtor shall default in any payment of principal or interest in any obligation to any other person for borrowed money; or Debtor shall default in the performance of any term, condition or covenant contained in any other agreement(s);

6.3 Debtor shall default, beyond any applicable cure period, in the performance of its obligations pursuant to any contracts having alone or in the aggregate, a material adverse effect on the financial condition of Debtor, including but not limited to the OCGG Contract;

6.4 Any judgment, decree or order aggregating (alone or with other judgments, decrees or orders) \$50,000, not fully covered by insurance, shall have been entered by a court of competent jurisdiction against Debtor, or any writ or warrant of attachment or any similar process shall have been filed against Debtor or against any property or asset of Debtor, and such judgment, decree, order, writ or warrant of attachment or similar process shall have remained unsatisfied, unvacated, unbonded or unstayed for a period of Fifteen (15) days;

6.5 Debtor shall have become insolvent (subject to the Thirty (30) day period provisions hereinafter recited) or admit, in writing, its inability to meet its obligations as they mature; or is generally not paying its debts as such debts become due; or shall have an order for relief entered against it; or shall apply for the appointment of a custodian, trustee or receiver for Debtor or any substantial portion of its properties, or any such custodian, trustee or receiver shall be appointed, and if appointed in a proceeding brought against Debtor, Debtor, by any action, shall indicate its approval of, consent to or acquiescence in such appointment, or any such

custodian, trustee or receiver shall not be discharged within Thirty (30) days; or any proceeding involving Debtor shall be instituted under any bankruptcy, reorganization, arrangement, insolvency or other similar statute of the United States or any State thereof, and if such proceeding shall be instituted against Debtor, Debtor shall, by any action indicate its approval of, consent to, or acquiescence therein, or the same shall remain undismissed for Thirty (30) days:

6.6 Secured Party shall in good faith believe that the prospect of prompt payment of Indebtedness, in full, as and when due, or the full performance of the obligations of Debtor, is or may be impaired.

SECTION 7

RIGHTS AND REMEDIES IN THE EVENT OF DEFAULT

7.1 Upon the occurrence of any of the above Events of Default, and at any time thereafter, Secured Party shall have, in addition to any and all other rights and remedies available to it under the provisions hereof or of any other agreement taken pursuant to the provisions hereof, or under any other laws of the Commonwealth of Virginia, the remedies of a secured party under the Virginia Uniform Commercial Code and, where applicable, under the laws of any state (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted), including by way of illustration but without limitation, the right in Secured Party's sole discretion to take possession and dispose of all or any portion of the Collateral, and for that purpose, Secured Party may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. If Secured Party elects to take possession of Collateral, it may maintain such possession on the Debtor's premises or may remove the same, or any part thereof, to such other place as Secured Party may desire. Upon Secured Party's demand, Debtor will assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and the Debtor. Unless the Collateral is perishable or threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Secured Party shall give to Debtor reasonable notice of the time and place of any public sale thereof, or of the time at which private sale or other intended disposition thereof is to be made. Requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor set forth in this Security Agreement, at least Five (5) days prior to the date of the aforesaid sale and/or disposition.

7.2 Debtor shall pay to the Secured Party, on demand, any and all expenses, including reasonable attorney's fees and legal expenses incurred or paid by Secured Party in protecting or enforcing its rights upon or under the Indebtedness or this Security Agreement. Secured Party shall apply the net proceeds of any sale or other disposition of Collateral, after deducting all costs and expenses of every kind incurred therein or incidental to the retaking, holding, preparing for sale, or other disposition of Collateral, or in any way relating to the rights of Secured Party hereunder, to the payment of Indebtedness, in whole or in part, whether due or not due, absolute or contingent, making proper rebate for interest or discount on items not then due, and only after so applying such net proceeds and ascertainment by Secured Party of any other amounts required by any existing or future provision of law, need Secured Party account to Debtor for surplus, if any. Debtor shall remain liable to Secured Party for the payment of any

deficiency of or on the Indebtedness, together with interest thereon, until paid. Secured Party shall not be required to proceed against any other party, or against any other security for the Indebtedness or pursue any other right or remedy hereunder, or under any other instrument or agreement, but all such rights and remedies shall be cumulative and in addition to all other such rights and remedies of Secured Party.

7.3 In the event of a voluntary or involuntary bankruptcy of the Debtor, the Debtor hereby agrees to waive any and all protections afforded to it pursuant to the "automatic stay" provisions of Bankruptcy Reform Act of 1978, as amended.

7.4 IN THE EVENT SECURED PARTY SEEKS TO TAKE POSSESSION OF ANY AND/OR ALL OF THE COLLATERAL BY COURT PROCESS, DEBTOR HEREBY IRREVOCABLY WAIVES ANY BONDS AND/OR SURETY OR SECURITY RELATING THERETO REQUIRED BY ANY STATUTE, COURT RULE OR OTHERWISE, AS INCIDENT TO SUCH POSSESSION, AND WAIVES ANY DEMAND FOR POSSESSION AND THE RIGHT TO TRIAL BY JURY WITH RESPECT THERETO AND/OR ANY OTHER ACTION IN WHICH SECURED PARTY IS A PARTY.

7.5 Debtor covenants and agrees that neither Secured Party nor any of its agents will be liable for any acts or omissions, or for any error of judgment or mistake of fact or law in exercising any of the rights or remedies granted to the Secured Party hereunder, and further agrees that Secured Party shall have no duty with respect to the Collateral except for the safe custody thereof.

7.6 Debtor hereby indemnifies, saves and holds Secured Party and any of its past, present and future agents, officers, directors and shareholders harmless of and from any and all loss, damages, suits, penalties, costs, liability and expenses (including, but not limited to, reasonable investigation and legal expenses) arising out of any claim for loss or damage to any property, injuries to or death of persons, contamination of or adverse effects on the environment, or any violation of statutes, ordinances, orders, rules, or regulations of any governmental entity or agency, caused by or resulting from any hazardous material, substance or waste caused by or any way related to the Collateral or currently or hereafter on or under any premises used, occupied and/or controlled by Debtor. It is expressly understood and agreed that the indemnifications granted herein are intended to protect Secured Party, its past, present and future agents, officers, directors and shareholders from any such claims which may arise by reason of the security interests, liens and/or mortgages granted to Secured Party hereunder or under any other document or agreement given to secure repayment of the Indebtedness, and whether or not such claims arise before or after Secured Party has foreclosed upon and/or otherwise become the owner of such Collateral. All obligations of indemnity as provided hereunder shall be deemed a part of the Indebtedness as defined in this Security Agreement and shall be secured by the Collateral and/or any other collateral and/or guaranties now or hereafter delivered to Secured Party as security for repayment of the Indebtedness. It is expressly understood and agreed that the provisions hereof shall and are intended to be continuing and shall survive the repayment of the Indebtedness.

7.7 Secured Party shall have the right in its own name or in the name of Debtor to petition a court of competent jurisdiction to appoint a trustee or receiver to carry on the

business of the Debtor; Debtor does hereby irrevocably make, constitute and appoint Secured Party, any of its officers, employees and/or agents, effective upon an Event of Default hereunder, its true and lawful attorney, with power to so petition a court of competent jurisdiction for the aforesaid appointment of a trustee or a receiver, and to execute in its name such documents as may be required and/or convenient to fully effect this remedy and effectively operate the business of Debtor.

SECTION 8

MISCELLANEOUS PROVISIONS

8.1 All notices, requests and/or communications shall be in writing and the sending or giving of such notices, requests and/or communications shall be sufficient in all respects if sent by certified mail with postage fully prepaid thereon, or delivered personally, to the other party at the address provided for herein which shall be deemed to be the last known address of said party unless, by proper written notice hereunder, said party shall change the address to which the aforesaid notices, requests and/or communications shall thereafter be sent.

8.2 All representations, warranties and provisions hereof shall survive the execution and delivery of this Security Agreement.

8.3 This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and/or assigns. Debtor shall not have the right to assign this Security Agreement without the prior, written consent of Secured Party.

8.4 This Security Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof and none of the parties shall be bound by anything not expressed in writing. Unless otherwise expressly provided herein, this Security Agreement and any other document delivered pursuant hereto may be amended, modified, extended, waived, discharged or terminated only by a written instrument signed by the Secured Party and the Debtor.

8.5 The laws of the Commonwealth of Virginia shall govern this Security Agreement, and all agreements, instruments, promissory notes and other collateral documents executed in connection herewith (unless otherwise expressly provided therein to the contrary), and shall govern all rights and obligations hereunder, including matters of construction, validity and performance, as well as the security provided for herein. If, by reason of the location of the Collateral, or otherwise, the creation, validity or perfection of security interest(s) provided for herein are governed by the laws of a State other than Virginia, Debtor shall take such steps and execute and deliver such documents as Secured Party may, from time to time, request in order to comply with the Uniform Commercial Code or other laws of such State(s).

8.6 In the event any provision of this Security Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.7 This Agreement may be executed in several counter-parts, each of which shall be an original and all of which shall constitute but one and the same instrument, binding on all of the parties hereto, notwithstanding that all the parties are not signatories to the same counterpart.

8.8 No course of dealing on the part of Secured Party, its officers and/or employees, nor any failure or delay by Secured Party with respect to the exercise of any right, power or remedy under this Security Agreement shall operate as a waiver thereof, and any single or partial exercise of any such right, power or remedy shall not preclude any later exercise thereof or any exercise of any other right, power or remedy hereunder. No waiver of default shall be effective unless in writing, signed by an officer of Secured Party. No waiver of any default or forbearance on the part of Secured Party in enforcing any of its rights under this Security Agreement shall operate as a waiver of any other default or right, or of the same default or right on a future occasion.

04-14-00 03:02pm From-

04/14/00 02:20 :24 NO:087
T-018 P.20/30 F-002

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the date first above written.

WITNESSES:

SECURED PARTY:

CARL M. FREEMAN ASSOCIATES, INC., a Maryland corporation

By: T. Michael Malby
Name: T. Michael Malby
Its: Executive Vice President

DEBTOR:

FOREAMERICA, INC., a Delaware corporation

By: _____
Name:
Its:

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the date first above written.

WITNESSES:

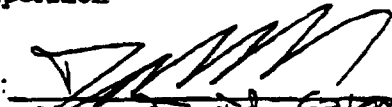
SECURED PARTY:

CARL M. FREEMAN ASSOCIATES, INC., a Maryland corporation

By: _____
Name:
Its:

DEBTOR:

FOREAMERICA, INC., a Delaware corporation

By: 
Name: David Soler
Its: COO/CFO

PRINT OR TYPE ALL INFORMATION

THE SECURED PARTY DESIRES THIS FINANCING STATEMENT TO BE INDEXED AGAINST THE RECORD OWNER OF REAL ESTATE NO (X) YES () NAME OF RECORD OWNER

STATE CORPORATION COMMISSION
(Uniform Commercial Code Division, Box 1197, Richmond, Virginia 23299)
FORM FOR ORIGINAL FINANCING STATEMENT AND SUBSEQUENT STATEMENTS

The Commission stamps the File Number on the Original Financing Statement. The secured party must place this same number on all subsequent statements

000008 7147

Index numbers of subsequent statements (For office use only)

0005087147

Name & mailing address of all debtors, trade styles, etc
No other name will be indexed.

ForeAmerica, Inc.
1311 Jamestown Road, Suite 203
Williamsburg VA 23185

Check the box indicating the kind of statement
Check only one box

5-8-00

- ORIGINAL FINANCING STATEMENT
- CONTINUATION-ORIGINAL STILL EFFECTIVE
- AMENDMENT
- ASSIGNMENT
- PARTIAL RELEASE OF COLLATERAL
- TERMINATION

Name & address of Secured Party
Carl M. Freeman Associates, Inc.
11325 Seven Locks Road
Potomac MD 20854

Name & address of Assignee

Date of maturity if less than five years

Check if proceeds of collateral are covered (X)

Description of collateral covered by original financing statement
SEE SCHEDULE A FOR DESCRIPTION OF COLLATERAL.

Space to record an amendment, assignment, release of collateral or a statement to cover collateral brought into Virginia from another jurisdiction.

Describe Real Estate if applicable

ForeAmerica, Inc.

Signature of Debtor if applicable (Date)

Signature of Secured Party if applicable (Date)

FILING OFFICER COPY

Revised 11-92

SCHEDULE A

DESCRIPTION OF COLLATERAL.

DEBTOR: FOREAMERICA, INC., a Delaware Corporation

SECURED PARTY: CARL M. FREEMAN ASSOCIATES, INC.

All of the Debtor's present and future right, title and interest in all or any of the goods, equipment, inventory, accounts receivable, contract rights, fixtures, chattel paper, instruments, investment property, documents and/or any and all computer software, general intangibles (as such terms is defined in Section 8.9-106 of the Virginia Uniform Commercial Code), patents, copyrights, licenses, trademarks (registered or owned by ForeAmerica, Inc. and/or Innovative Technical Solutions, Inc.), tradenames, applications for patents, licenses, trade styles and trade secrets, together with all renewals, replacements and substitutions therefor or accessions thereto, and all registered or owned hardware or source codes, documentation, compiles, instructions, utilities, interfaces, schematics and flow charts, whether now owned or hereafter acquired or created by Debtor, and the proceeds and/or products thereof, including all returns and/or repossessions thereof and all tangible or intangible personal property which is now, or may hereafter come within the control and/or possession of the Debtor.

268194_1.DOC