

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 16, 2003 by and between COMERICA BANK ("Bank") and XELUS, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Grantor and Bank, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreement or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreement or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

XELUS, INC.

Address of Grantor:

290 Woodcliff Drive
Fairport, NY 14450

Attn: Chief Executive Officer

By: *Lynnda J. Bates*
Title: *VP Finance & Admin*

BANK:

COMERICA BANK

Address of Bank:

9920 S. La Cienega Blvd., Suite 1401
Inglewood, CA 90301

Attn: Manager

By: _____
Title: _____

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

XELUS, INC.

Address of Grantor:

290 Woodcliff Drive
Fairport, NY 14450

Attn: Chief Executive Officer

By: _____

Title: _____

BANK:

COMERICA BANK

Address of Bank:

9920 S. La Cienega Blvd., Suite 1401
Inglewood, CA 90301

Attn: Manager

By: *Debra...*

Title: *VP*

EXHIBIT A

Copyrights

Copyrights: The Company claims common law copyrights in its software programs and in all related materials, screens, code and literature. The Company has registered copyrights in the following programs:

	<u>Registration Number</u>	<u>Registration Date</u>
XelusPlan	Pending	
XelusExtend	TX5519548	December 31, 2001
XelusLink	TX5494908	December 31, 2001
XelusTrade	TX5528357	December 31, 2001
SLIC	TX 5-080-711	October 18, 1999
BIDBROKER	TXu 921-301	October 13, 1999

EXHIBIT B

Patents

The Company has no patents, patent rights or patent applications.

EXHIBIT C

Trademarks

The Company has the following registered trademarks and pending trademark applications in which it also claims common law rights:

- LPA*
- LPA SOFTWARE*
- LPA BIDBROKER
- MULTI-TIERED E-TRADING COMMUNITIES
- XELUS
- XELUSPLAN
- XELUSLINK
- XELUSEXTEND
- XELUSTRADE
- "X" LOGO
- XELUSVIA

* All rights to these marks were sold to LPA Systems, Inc. in an asset sale spinoff transaction in January, 2002. The assignments of these marks are currently being held in escrow, to be released to by March 31, 2004. Bank will have no liens or other rights to these marks.

See attached Trademark Status Report Schedule

Xelus, Inc.

Trademark Report by Mark
Action: RE, SU, FE, AU, m
Status: ACTIVE

Printed: 12/4/2003

COUNTRY STATUS	REFERENCE# CLASSES	FILED	APPL#	REGDT	REG#
<u>Selected Actions Due</u>					
LPA SOFTWARE					
UNITED STATES REGISTERE	11740.000021 9	3/25/1998	75/456,991	6/8/1999	2,251,304
	6/8/2005	AFFIDAVIT OF USE			
	6/8/2009	RENEWAL			

9 - Computer software for use in supply chain management, namely, inventory and repair planning, forecasting and deployment

LPA

UNITED STATES REGISTERE	9	3/25/1998		6/15/1999	2,253,332
	6/15/2005	AFFIDAVIT OF USE			
	6/15/2009	RENEWAL			

9 - Computer software for use in supply chain management, namely, inventory and repair planning, forecasting and deployment

LPABIDBROKER

UNITED STATES PROPOSED	11740.84012 9
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9 - Computer software

MULTI-TIERED E-TRADING COMMUNITIES

UNITED STATES REGISTERE	11740.000018 36	10/14/1999	75/822,359	1/1/2002	2,526,254
	1/1/2008	AFFIDAVIT OF USE			
	1/1/2012	RENEWAL			

36 - online brokerage of industrial inventory parts by way of a global computer network

X LOGO

CANADA ALLOWED	11740.000036 09	11/15/2000	1082727
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09 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts computer software for stocking analysis, replenishment and deployment of inventory parts for an extended logistics network, material planning, forecasting inventory parts requirements, creating new product introductions, stocking, and integration with a service inventory planning system browser based computer software for remotely accessing a primary service inventory parts planning system, reviewing part forecasts and schedules, submitting recommendations and adjustments, viewing item data, entering schedule data, adjusting or providing forecasts based upon local issues and programs, targeting inventory levels to reflect local base dynamics, contractual obligations, transportation, and customs issues computer software for primary service parts inventory planning, forecasting returns, calculating scrap yield, planning upgrade paths for older revisions, scheduling repairs, tracking work in process inventories, modeling of alternate scenarios in real time, automatically presenting action items according to pre-configured business rules, automatically recommending problem solutions.

UNITED STATES ALLOWED	11740.000029 9,35,36	6/22/2000	76/075,790
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9 - Computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts; computer software for stocking analysis, replenishment and deployment of inventory parts for an extended logistics network, material planning, forecasting inventory parts requirements, creating new product introductions, stocking, and integration with a service inventory planning systems; browser based computer software for remotely accessing a primary service inventory parts planning system, reviewing part forecast and schedules, submitting recommendations and adjustments, viewing item data, entering schedule data, adjusting or providing forecasts based on local issues and programs, targeting inventory levels to reflect local based dynamics, contractual obligations, transportation, and customs' issues; computer software for primary service parts inventory planning; forecasting returns, calculating scrap yield, planning upgrade paths for older revisions, scheduling repairs, tracking work in

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TRADEMARK
REEL: 002890 FRAME: 0784

process inventories, modeling of alternate scenarios in real time, automatically presenting action items according to pre-configured business rules, and automatically recommending problem

35 - Business consulting services namely advising business on the cost savings associated with service parts inventory management

36 - Online brokerage of inventory parts by way of a global computer network and consultation related thereto

XELUS

ARGENTINA 11740.000047 10/3/2000 2,309,747 4/22/2002 1,868,296
REGISTERE 9
4/22/2012 RENEWAL

9 - computer software of inventory management, outsourcing of inventory management and online brokerage of inventory parts

ARGENTINA 11740.000075 10/3/2000 2,309,748 4/22/2002 1,868,297
REGISTERE 35
4/22/2012 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

ARGENTINA 11740.000076 10/3/2000 2,309,749 4/22/2002 1,868,298
REGISTERE 36
4/22/2012 RENEWAL

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

AUSTRALIA 11740.000041 9/14/2000 850360 9/14/2000 850360
REGISTERE 9,35,36
9/14/2010 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and on-line brokerage of inventory parts

35 - consulting services in the fields of inventory management; outsourcing services in the field of inventory management

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields; consulting services in the field of on-line brokerage

42 - consulting services in the field of computer software

BRAZIL 11740.000049 9/28/2000 823189260
PENDING 9

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

BRAZIL 11740.000068 9/28/2000 823189279
PENDING 35

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

BRAZIL 11740.000069 9/28/2000 823189287
PENDING 36

36 - brokerage of inventory parts in the aerospace, utilities, communication, transportation and computer fields

CANADA 11740.000051 10/5/2000 1077507
PENDING 9,35,36

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

CHINA 11740.000044 10/8/2000 2000-155103 11/28/2001 1674412
REGISTERE 9

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11/27/2011 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

CHINA 11740.000070 10/8/2000 2000155104 8/28/2002 1945559
REGISTERE 35
8/27/2012 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

CHINA 11740.000071 10/8/2000 2000155105 5/7/2002 1764354
REGISTERE 36
5/7/2012 RENEWAL

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

COLOMBIA 11740.000048 10/2/2000 00-074.568 10/31/2001 243.614
REGISTERE 9
10/31/2011 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

COLOMBIA 11740.000072 10/2/2000 00-074.569 10/31/2001 243.615
REGISTERE 35
10/31/2011 RENEWAL

35 - Consulting services in the fields of inventor management, online brokerage, and computer software; outsourcing services in the field of inventory management

COLOMBIA 11740.000073 10/2/2000 00-074.575
PENDING 36

36 - Consulting services in the fields of inventor management, online brokerage, and computer software; outsourcing services in the field of inventory management

EUROPEAN UNION 11740.000026 9/11/2000 1847771 4/8/2003 001847771
REGISTERE 9,35,36
9/11/2010 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage for inventory parts

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields; consulting services in the field of online brokerage

MEXICO 11740.000050 10/9/2000 451921 1/13/2003 773917
REGISTERE 9
10/9/2010 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

MEXICO 11740.000086 10/9/2000 451920 8/31/2001 714106
REGISTERE 35
10/9/2010 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage, and computer software, outsourcing services in the field of inventory management

MEXICO 11740.000087 10/9/2000 451922 1/30/2002 730972
REGISTERE 36
10/9/2010 RENEWAL

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

MEXICO 11740.000088 5/3/2002 545661 5/31/2002 750487
REGISTERE 36
5/3/2012 RENEWAL

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TRADEMARK
REEL: 002890 FRAME: 0786

36 - On-line brokerage services

NEW ZEALAND 11740.000042 9/18/2000 623389 3/22/2001 623389
 REGISTERE 9
 9/18/2007 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

NEW ZEALAND 11740.000064 9/18/2000 623390 9/18/2000 623390
 REGISTERE 35
 4/7/2007 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage; outsourcing services in the field of inventory

NEW ZEALAND 11740.000065 9/18/2000 623391 4/7/2000 623391
 REGISTERE 36
 4/7/2007 RENEWAL

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

NORWAY 11740.000024 9/14/2000 200010825 10/4/2001 210786
 REGISTERE 9,35,36
 10/4/2011 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

35 - consulting services in the fields of inventory management, online brokerage and computer software; outsourcing services in the field of inventory management

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

SINGAPORE 11740.000045 4/7/2000 T00/16562D 4/7/2000 T00/16562D
 REGISTERE 35
 4/7/2010 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

SINGAPORE 11740.000089 9/18/2000 T00/16561F 4/7/2000 T00/16561F
 REGISTERE 9
 9/18/2010 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

SINGAPORE 11740.000090 9/18/2000 T00/16563B 4/7/2000 T00/16563B
 REGISTERE 36
 4/7/2010 RENEWAL

36 - brokerage of inventory parts in the aerospace, utilities, telecommunication, transportation and computer fields

SOUTH KOREA 11740.000046 9/16/2000 2000-43574 6/18/2002 523208
 REGISTERE 9
 6/18/2012 RENEWAL

9 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

SOUTH KOREA 11740.000061 9/16/2000 2000-24598 7/24/2002 77643
 REGISTERE 35
 7/24/2012 RENEWAL

35 - consulting services in the fields of inventory management, online brokerage; outsourcing services in the field of inventory

SOUTH KOREA 11740.000062 9/16/2000 2000-24599 5/7/2003 86102
 REGISTERE 36
 5/7/2013 RENEWAL

36 - brokerage of inventory parts in the aerospace fields; brokerage of inventory parts in the fields of water, gas, and electric utilities; brokerage of inventory parts in the fields of electric communication machines and implements; brokerage of inventory parts relating to vehicles including automobiles, motorcycles, trucks, construction vehicles, ships, trains, aircraft; brokerage of inventory

parts in the fields of applied electronic machines and apparatus, and their parts

SWITZERLAND 11740.000025 9/13/2000 10916/2000 10/4/2001 489,969
REGISTERE 09,35,36
9/13/2010 RENEWAL

09 - computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

35 - consulting services in the fields of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management

36 - brokerage of inventory parts in the aerospace, utilities, communication, transportation and computer fields

TAIWAN 11740.000066 10/7/2000 89058551 6/16/2002 164538
REGISTERE 35
6/16/2012 RENEWAL

35 - inventory management; providing inventory, storage and retrieval management services by computer and internet: advisory and consulting services for the aforesaid services; providing on-line brokerage and agency service for distributing inventory parts via computer database or internet; advisory and consulting services for the aforesaid services; brokerage and distribution of inventory parts in the aerospace, utilities, telecommunications, transportation and computer fields.

TAIWAN 11740.000067 10/7/2000 89058552 1/16/2002 157140
REGISTERE 42
1/16/2012 RENEWAL

42 - consulting services in the field of computer software

UNITED STATES 11740.000022 4/7/2000 76/020,746 7/9/2002 2,592,509
REGISTERE 35,36,42
7/9/2008 AFFIDAVIT OF USE
7/9/2012 RENEWAL

35 - consulting services in the fields of inventory management; outsourcing services for others in the field of inventory management

36 - consulting services in the fields of online brokerage of manufacturing parts for inventory management in the aerospace, utilities, telecommunications, transportation and computer fields; online brokerage of manufacturing parts

42 - consulting services in the field of computer software

9 - Computer software for inventory management, outsourcing of inventory management and online brokerage of inventory parts

XELUSEXTEND

CANADA 11740.000033 12/22/2000 1,087,212
ALLOWED 9

9 - computer software for stocking analysis, replenishment and deployment of inventory parts for an extended logistics network, material planning, forecasting inventory parts requirement, creating new product introductions, stocking, and integration with a service inventory planning system

EUROPEAN UNION 11740.000083 10/2/2000 001883651 11/22/2001 001883651
REGISTERE 9
10/2/2010 RENEWAL

9 - computer software for stocking analysis, replenishment and deployment of inventory parts for an extended logistics network, material planning, forecasting inventory parts requirements, creating new product introductions, stocking, and integration with a service inventory planning system

UNITED STATES 11740.000052 6/22/2000 76/075,097 3/4/2003 2,693,791
REGISTERE 9
3/4/2009 AFFIDAVIT OF USE
3/4/2013 RENEWAL

9 - computer software for stocking analysis, replenishment and deployment of inventory parts for an extended logistics network, material planning, forecasting inventory parts requirements, creating new product introductions, stocking, and integration with a service inventory planning system in the field of parts in the aerospace, utilities, telecommunications, transportation and computer fields

XELUSLINK

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CANADA 11740.000034 12/22/2000 1,087,213
ALLOWED 09

12/22/2003 FILE ITU EXTENSION

09 - browser based computer software for remotely accessing a primary service inventory parts planning system, reviewing part forecasts and schedules, submitting recommendations and adjustments, viewing item data, entering schedule data, adjusting or providing forecasts based upon local issues and programs, targeting inventory levels to reflect local base dynamics, contractual obligations, transportation, and customs issues

EUROPEAN UNION 11740.000084 10/2/2000 001882349 12/19/2001 001882349
REGISTERE 9
10/2/2010 RENEWAL

9 - browser based computer software for remotely accessing a primary service inventory parts planning system, reviewing part forecasts and schedules, submitting recommendations and adjustments, viewing item data, entering schedule data, adjusting or providing forecasts based upon local issues and programs, targeting inventory levels to reflect local base dynamics, contractual obligations, transportation, and customs issues

UNITED STATES 11740.000054 6/22/2000 76/075,096 9/17/2002 2,621,990
REGISTERE 9
9/17/2008 AFFIDAVIT OF USE
9/17/2012 RENEWAL

9 - browser based computer software for remotely accessing a primary service inventory parts planning system, reviewing part forecasts and schedules, submitting recommendations and adjustments, viewing item data, entering schedule data, adjusting or providing forecasts based upon local issues and programs, targeting inventory levels to reflect local base dynamics, contractual obligations, transportation, and customs issues

XELUSPLAN

CANADA 11740.000035 12/22/2000 1,087,210
PENDING 09

09 - computer software for primary service parts inventory planning, forecasting returns, calculating scrap yield, planning upgrade paths for older revisions, scheduling repairs, tracking work in process inventories, modeling of alternate scenarios in real time, automatically presenting action items according to pre-configured baseness rules, automatically recommending problem resolution

EUROPEAN UNION 11740.000085 10/2/2000 001882380 3/5/2002 001882380
REGISTERE 9
10/2/2010 RENEWAL

9 - computer software for primary service parts inventory planning, forecasting returns, calculating scrap yield, planning upgrade paths for older revisions, scheduling repairs, tracking work in process inventories, modeling of alternate scenarios in real time, automatically presenting action items according to pre-configured business rules, automatically recommending problem resolution

UNITED STATES 11740.000053 6/22/2000 76/075,094 3/4/2003 2,693,790
REGISTERE 9
3/4/2009 AFFIDAVIT OF USE
3/4/2013 RENEWAL

9 - computer software for primary service parts inventory planning, forecasting returns, calculating scrap yield, planning upgrade paths for older revisions, scheduling repairs, tracking work in process inventories, modeling of alternate scenarios in real time, automatically presenting action items according to pre-configured business rules, automatically recommending problem resolution in the fields of aerospace, utilities, telecommunications, transportation and computers

XELUSTRADE

CANADA 11740.000032 11/15/2000 1082728
PENDING N/A

N/A - online brokerage of inventory parts by way of a global computer network

EUROPEAN UNION 11740.000082 12/22/2000 002015865 2/4/2002 002015865
REGISTERE 35
12/22/2010 RENEWAL

35 - online brokerage of inventory parts by way of a global computer network

UNITED STATES 11740.000055 6/22/2000 76/075,098 3/4/2003 2,693,792
REGISTERE 36
3/4/2009 AFFIDAVIT OF USE
3/4/2013 RENEWAL

36 - online brokerage of manufacturing parts

XELUSVIA

CANADA 11740.000031 12/22/2000 1,087,211
ALLOWED N/A
12/22/2003 FILE ITU EXTENSION

N/A - consulting services-namely advising businesses on the cost savings associated with service parts inventory management

EUROPEAN UNION 11740.000081 10/2/2000 001883602 11/22/2001 001883602
REGISTERE 35
10/2/2010 RENEWAL

35 - consulting services: namely advising businesses of the cost savings associated with service parts inventory management

UNITED STATES 11740.000030 6/22/2000 76/075,099 3/25/2003 2,700,906
REGISTERE 35
3/25/2009 AFFIDAVIT OF USE
3/25/2013 RENEWAL

35 - business consulting services in the field of inventory management, online brokerage, and computer software; outsourcing services in the field of inventory management