

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Payflex Systems USA, Inc.	FORMERLY Payflex Systems, USA, Inc.	01/31/2007	CORPORATION: NEBRASKA

RECEIVING PARTY DATA

Name:	First National Bank of Omaha
Street Address:	1620 Dodge Street
Internal Address:	STOP 1050
City:	Omaha
State/Country:	NEBRASKA
Postal Code:	68197
Entity Type:	National Banking Association: UNITED STATES

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Serial Number:	74356023	PAYROLL RESOURCES
Serial Number:	76222588	COBRASSIST
Serial Number:	76222590	PAYFLEX
Serial Number:	77067081	HSAMERICA

CORRESPONDENCE DATA

Fax Number: (402)898-7401
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 4028987400
 Email: ngurnsey@woodsaitken.com
 Correspondent Name: Woods & Aitken L.L.P.
 Address Line 1: 10250 Regency Circle, Suite 350
 Address Line 2: Attn: Nathan Gurnsey
 Address Line 4: Omaha, NEBRASKA 68114

OP \$115.00 74356023

ATTORNEY DOCKET NUMBER:	FNBO / PAYFLEX
NAME OF SUBMITTER:	Nathan J. Gurnsey
Signature:	/Nathan J. Gurnsey/
Date:	02/08/2007

Total Attachments: 17
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made as of the 31st day of January, 2007, by PAYFLEX SYSTEMS USA, INC., a Nebraska corporation ("Borrower"), PAYFLEX HOLDINGS, INC., a Delaware corporation ("PHI"), COBRA OUTSOURCING COMPANY, a Nebraska corporation ("COC"), BLACKSTONE INSURANCE GROUP, INC., a Nebraska corporation ("BIGI"), FLEXAMERICA, INC., a Maryland corporation ("FlexAmerica"), and DENVER RESERVE COMPANY LLC, a Colorado limited liability company ("DRCL") (PHI, COC, BIGI, FlexAmerica and DRCL are sometimes hereinafter each referred to individually as a "Guarantor" and collectively as the "Guarantors") each of whose mailing address is 700 Blackstone Centre, Omaha, Nebraska 68131, in favor of FIRST NATIONAL BANK OF OMAHA, a national banking association ("Bank"), whose mailing address is 1620 Dodge Street, STOP 1050, Omaha, Nebraska 68197, its successors and assigns.

RECITALS

WHEREAS, the Borrower and Guarantors have entered into a Credit Facilities Agreement with Bank of even date herewith (as amended, restated or otherwise modified from time to time, the "Credit Agreement") pursuant to which Borrower has undertaken certain covenants and has executed and delivered to Bank a note of even date herewith payable to the order of the Bank in the total principal amount of Fifteen Million Dollars (\$15,000,000) and a note of even date herewith payable to the order of the Bank in the total principal amount of Twenty Million Dollars (\$20,000,000), the proceeds of which may be drawn upon by the Borrower, for the purposes provided for in the Credit Agreement, in accordance with and subject to the terms and restrictions contained in the Credit Agreement; and

WHEREAS, Section 2.10 of the Credit Agreement provides that the purposes of the Credit Agreement include, among other things, providing the Borrower and the Subsidiaries with access to funds for general corporate needs; and

WHEREAS, each Guarantor expects to be directly and materially benefited by the Credit Agreement and the transactions contemplated thereby and, in furtherance thereof have agreed to execute and deliver this Agreement; and

WHEREAS, under the Credit Agreement, it is a condition precedent to Bank's making of disbursements under the Loans to the Borrower, that Borrower executes and delivers to Bank this Agreement to secure the obligations of the Borrower under the Loan Documents to which it is a party; and

WHEREAS, under the Credit Agreement, it is a condition precedent to Bank's making of disbursements under the Loans to the Borrower, that each Guarantor execute and deliver to Bank this Agreement to secure the obligations of each Guarantor under its respective Guaranty; and

WHEREAS, Borrower and Guarantors have agreed to grant a Security Interest (as hereinafter defined) in the IP Collateral (as hereinafter defined) to Bank to secure the Obligations (as hereinafter defined) in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Borrower and each of the Guarantors represent, warrant, covenant, and agree with Bank as follows:

1. Definitions. All capitalized terms used in this Agreement, including its preamble and recitals, and not otherwise defined herein, shall have the meaning ascribed to them in the Credit Agreement. Unless otherwise defined herein or in the Credit Agreement, or the context otherwise requires, and whether or not capitalized, terms for which meanings are provided in the Uniform Commercial Code, as in effect from time to time in the State of Nebraska (the "UCC"), are used in this Agreement with such meaning.

2. Security Interest. Borrower and each of the Guarantors hereby BARGAIN, SELL, GRANT, CONVEY, TRANSFER, PLEDGE, HYPOTHECATE, and ASSIGN to Bank a first priority security interest (the "Security Interest") in any and all right, title and interest in, to and under all general intangibles and registered and unregistered intellectual property (all of which shall collectively be called the "IP Collateral"), including, without limitation, all of the following:

(a) Any and all copyright rights, copyright applications, copyright registrations, copyright renewals and like protections in each work or authorship and derivative work thereof of Borrower or any Guarantor, whether published or unpublished, registered or unregistered, and whether or not the same also constitutes a trade secret, now or hereafter existing, and owned, created, acquired or held by Borrower or any Guarantor, including without limitation those set forth on Exhibit "A" attached hereto and incorporated herein by this reference (collectively, the "Copyrights");

(b) Any and all trade secret rights, including any rights to unpatented inventions, know-how, operating manuals, license rights and agreements, and confidential information now or hereafter existing, and owned, created, acquired or held by Borrower or any Guarantor;

(c) Any and all intellectual property rights in software and software products now or hereafter existing, and owned, created, acquired or held by Borrower or any Guarantor;

(d) Any and all design rights now or hereafter existing, and owned, created, acquired, or held by Borrower or any Guarantor;

(e) All patents, patent applications and like protections now or hereafter existing, and owned, created, acquired or held by Borrower or any Guarantor including, without limitation, improvements, divisions, continuations, renewals, reissues,

extensions, and the patents and patent applications set forth on Exhibit "B" attached hereto and incorporated herein by this reference, and continuations in part of any of the aforementioned (collectively, the "Patents");

(f) Any trademark and service mark rights, slogans, symbols, logos, trade dress, trade names, corporate names, Internet domain names, rights in telephone numbers, and trade styles (whether any of the foregoing are registered or not), together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations, renewals and like protections in connection therewith, whether any of the foregoing are now or hereafter existing, and are owned, created, acquired or held by Borrower or any Guarantor, including without limitation those trademarks set forth on Exhibit "C" attached hereto and incorporated herein by this reference (collectively, the "Trademarks");

(g) Any and all claims of the Borrower or any Guarantor, now or hereafter existing, for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, or Trademarks and all license fees and royalties arising from such use to the extent permitted by such license or rights now or hereafter existing, and owned, created, acquired or held by Borrower or any Guarantor, including, without limitation those licenses set forth on Exhibit "D" attached hereto and incorporated herein by this reference (the "Licenses");

(i) All amendments, renewals and extensions of any of the Copyrights, Trademarks, Patents or Licenses;

(j) All mask works and all applications, registrations and renewals in connection therewith; and

(k) All increases, replacements, refurbishment, improvements, additions and substitutions therefor, all ancillary accessories, parts and equipment with respect thereto or used in connection therewith, all after-acquired property with respect thereto, and all products, present and future accessions and cash and noncash proceeds, including contract rights, of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

3. Secured Obligations. The Security Interest hereby granted shall secure the complete and timely payment, performance or discharge of (i) each of the obligations and covenants of Borrower and of each of the Guarantors under this Agreement and any of the other Loan Documents to which it is a party, and all modifications, substitutions, extensions and renewals of each, whether absolute or contingent, liquidated or unliquidated, existing now or arising in the future, and (ii) with respect to the Borrower, the Obligations as such term is defined in the Credit Agreement, and (iii) with respect to each Guarantor, the obligations of each Guarantor under its respective Guaranty (items (i) through (iii) are referred to individually herein

as an "Obligation" and collectively as the "Obligations"). The Security Interest shall be effective with respect to each item of IP Collateral for so long as any Obligation remains outstanding, regardless of whether Borrower or a Guarantor becomes the owner of such IP Collateral prior to or contemporaneously with or subsequent to the incurring of such Obligation.

4. Grants. The Security Interest contained in this Agreement is granted in conjunction with the liens and security interests granted to the Bank pursuant to the Credit Agreement and other Loan Documents. Borrower and the Guarantors do hereby acknowledge and confirm the grant of the Security Interest hereunder.

5. Authorization and Request. Borrower and each of the Guarantors hereby authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this Agreement or any excerpt, summary, or electronic filing relating thereto as applicable, and any amendments thereto, or copies thereof.

6. Authorization to File Financing Statements. Borrower and Guarantors hereby irrevocably authorize the Bank at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements, amendments and continuations thereto that (a) indicate the IP Collateral (i) as all intellectual property of Borrower or the Guarantors, as applicable, or words of similar effect, regardless of whether any particular asset comprised in the IP Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or (ii) as being of an equal or greater scope or with greater detail, or (b) contain any information required by Part 5 of Article 9 of the Uniform Commercial Code of such jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Borrower and Guarantors agree to furnish to the Bank any information relating to the IP Collateral that Bank may request.

7. Representations, Warranties, and Covenants. Borrower and each of the Guarantors expressly represent and warrant to, and covenant with Bank that, for so long as the Security Interest shall remain in effect:

(a) Exhibits A, B, C, and D attached hereto set forth any and all intellectual property rights in connection to which Borrower or any Guarantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable;

(b) Borrower and each of the Guarantors, as applicable, have good and marketable title to the IP Collateral which such Borrower or Guarantor currently uses in the operation of its respective business, free and clear of any lien, pledge, security interest, license, or other encumbrance, except the Security Interest and those Licenses listed on Exhibit "D" hereof;

(c) Performance of this Agreement does not conflict with or result in a breach of any material agreement to which Borrower or any of the Guarantors is bound;

(d) Until the Obligations are satisfied in full, neither Borrower nor any of the Guarantors will transfer or otherwise encumber any interest in the IP Collateral;

(e) To their knowledge, each of the issued Patents is valid and enforceable, and no part of the IP Collateral which has been registered has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the IP Collateral violates the rights of any third party;

(f) Borrower and each of the Guarantors shall promptly advise Bank of any material adverse change in the composition of the IP Collateral, including but not limited to any subsequent ownership right of the Borrower or any Guarantor in or to any Trademark, Patent, Copyright or License specified in this Agreement;

(g) Borrower and each of the Guarantors shall use their reasonable efforts to (unless in the judgment of the Borrower or such Guarantor, as applicable, it is no longer necessary for the business of the Borrower or such Guarantor) (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights and Licenses, (ii) detect infringements of the Trademarks, Patents, Copyrights and Licenses and promptly advise Bank in writing of material infringements detected and (iii) not allow any Trademarks, Patents, Copyrights or Licenses to be abandoned, forfeited or dedicated to the public without the written consent of Bank, which shall not be unreasonably withheld, unless Borrower or such Guarantor, as applicable, determines in its reasonable business judgment that abandonment is appropriate;

(h) Borrower and Guarantors shall take such further actions as Bank may reasonably request from time to time to perfect or continue the perfection of Bank's interest in the IP Collateral;

(i) This Agreement creates, and in the case of after-acquired IP Collateral, this Agreement will create at the time Borrower or a Guarantor, as applicable, first has rights in such after-acquired IP Collateral, in favor of Bank a valid and perfected first priority security interest and collateral assignment in the IP Collateral securing the payment and performance of the obligations evidenced by the Credit Agreement;

(j) To their knowledge, except for, and upon, the filing of UCC financing statements, filings with the U.S. Patent and Trademark Office or the U.S. Copyright Office, or other notice filings or notations in appropriate filing offices, if necessary to perfect the security interests created hereunder, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required for the grant by Borrower or the Guarantors of the security interest granted hereby, or for the execution, delivery or performance of this Agreement by Borrower or the Guarantors;

(k) All information heretofore or herein supplied to Bank by or on behalf of Borrower and the Guarantors with respect to the IP Collateral is accurate and complete in all material respects;

(l) Neither Borrower nor any of the Guarantors shall enter into any agreement that would materially impair or conflict with Borrower's or any Guarantor's obligations hereunder without Bank's prior written consent;

(m) Upon any executive officer of Borrower or of any Guarantor obtaining actual knowledge thereof, Borrower or such Guarantor, as applicable, will promptly notify Bank in writing of any event that materially adversely affects the value of any material IP Collateral, the ability of Borrower or such Guarantor to dispose of any material IP Collateral or the rights and remedies of Bank in relation thereto, including the levy of any legal process against any of the IP Collateral; and

(n) Neither Borrower nor any Guarantor shall register any of the IP Collateral or file any application with respect to the IP Collateral, with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable, or with any corresponding or similar state or international filing system, unless Borrower or Guarantor, as applicable, (i) has provided to the Bank fifteen (15) days prior written notice of such proposed application or registration along with a copy of all applicable and relevant application or registration documents, (ii) executes a security agreement or such other documents as Bank may reasonably request in order to maintain the perfection and priority of its security interest in the IP Collateral proposed to be registered, and (iii) records such security documents with the United States Patent and Trademark Office or the United States Copyright Office or takes such other actions as are necessary to maintain the Bank's first priority security interest in such IP Collateral. Borrower and each of the Guarantors agree to execute and file such other instruments and take such other actions as Bank may reasonably request from time to time to perfect or continue the perfection of Bank's security interest in such IP Collateral.

8. Miscellaneous Undertakings. Borrower and each of the Guarantors, at their sole cost and expense, agree to:

(a) pay all reasonable expenses, including without limitation, reasonable attorneys' fees and court costs to the fullest extent permitted by Governing Law (as hereinafter defined), actually incurred by Bank in connection with the creation, perfection, preservation, or enforcement of the Security Interest, the defense of the IP Collateral, or the exercise by Bank of any of the rights, powers or remedies granted to Bank under this Agreement, by law or otherwise; or

(b) reimburse Bank within ten (10) days of Bank's demand for any reasonable expense incurred by Bank pursuant to the foregoing authorization, together with interest thereon at a rate equal to the lesser of (i) the Termination Rate of Interest, or (ii) the highest non-usurious rate of interest permitted by Governing Law, from the date that any such expense is incurred, until reimbursed.

9. Event of Default. The failure to cure a breach of or the failure to comply with any material covenant, agreement, warranty, representation, or undertaking of Borrower or of a

Guarantor contained in this Agreement following any applicable period of notice or cure provided under the Credit Agreement shall, at the option of Bank and without further notice or demand, constitute an "Event of Default" under this Agreement. Additionally, the occurrence of an "Event of Default" as defined in the Credit Agreement or as defined in any of the other Loan Documents, shall constitute an "Event of Default" under this Agreement. Further, if for any reason the Security Interest granted hereby is not a first perfected lien on the IP Collateral, or any portion thereof, it shall be deemed an "Event of Default" under this Agreement. If at any time Borrower or a Guarantor shall attempt to transfer the IP Collateral, or any portion thereof, to any person or entity, an "Event of Default" shall be deemed to have occurred under this Agreement.

10. Bank's Rights Upon Event of Default. If an Event of Default shall occur and be continuing, the Bank may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised). Upon the occurrence of an Event of Default, Bank shall have, and Borrower and Guarantors hereby grant, a royalty-free license to use the IP Collateral to the extent reasonably necessary to permit Bank to exercise its rights and remedies upon the occurrence of an Event of Default. Without limiting the generality of the foregoing, the Bank, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice provided herein or as may be required by Governing Law referred to below) to or upon Borrower or any Guarantor (all and each of such demands, presentments, protests, defenses, advertisements and notices are hereby waived to the fullest extent permitted by Governing Law), may in such circumstances:

- (a) Enter upon any property upon which the IP Collateral is located and take possession of, assemble, collect, and move any or all of the IP Collateral, or render such IP Collateral unusable, and store any of the IP Collateral at locations acceptable to Bank;
- (b) Require Borrower or any Guarantor to assemble any or all of the IP Collateral and make it available at a mutually convenient place designated by Bank so as to permit Bank to take possession of, move, or store, such IP Collateral;
- (c) Sell, assign, or otherwise dispose of and deliver all or any part of the IP Collateral at public or private sale, for cash or on credit, to a wholesaler, retailer or user of each type of IP Collateral or at public auction;
- (d) Bid and become purchaser at any public sale or auction of the IP Collateral;
- (e) Perform any of the Obligations, and apply any IP Collateral or the proceeds therefrom to the payment of the Obligations in such order, priority and manner as Bank in its sole discretion may determine;
- (f) Operate, consume, sell or dispose of any of the IP Collateral as Bank deems appropriate for the purpose of partially satisfying or fully satisfying any or all of the Obligations;

(g) Transfer to itself or any nominee any securities constituting IP Collateral, receive any income thereon and hold such income as additional IP Collateral or apply it to the Obligations;

(h) Make any compromise or settlement which Bank may deem desirable or proper with respect to any of the IP Collateral or any controversies or disputes relating to the IP Collateral, and release any of the IP Collateral and any persons liable on any of the IP Collateral;

(i) Endorse and deliver evidences of title, and receive, enforce and collect by legal action or otherwise all or any portion of the IP Collateral;

(j) Enforce, adjust and receive payment or performance in connection with any insurance claims, claims for breach of warranty, claims under any letters of credit, instruments, documents of title, chattel paper or contracts and similar matters concerning any of the IP Collateral; and

(k) Bank may exercise and enforce any or all other rights and remedies available by law or agreement against the IP Collateral, against Borrower, Guarantor, or against any other Person or property, in such manner as the Bank may determine in its sole discretion.

11. No Responsibility. Borrower and each of the Guarantors acknowledge that Bank has no responsibility for, and does not assume any of, Borrower's or any of the Guarantors' respective obligations or duties under any agreement, document of title, instrument, general intangible or other contract or obligation relating to the IP Collateral. Bank shall have no duty or obligation whatsoever to make or give any presentments, demands for performance, notices of nonperformance, notices of protest or notices of dishonor in connection with any of the IP Collateral or to take any other action to preserve, protect or defend any of the IP Collateral or to preserve any value or utility of any of the IP Collateral, except to the extent required by Governing Law (Borrower and each of the Guarantors hereby waiving any such required notices or actions to the fullest extent permitted by Governing Law).

12. No Waiver by Bank, Etc. The Bank shall not be deemed to have waived any of its rights upon or under the Obligations or the IP Collateral unless such waiver shall be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Bank with respect to the Obligations or the IP Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively, or concurrently at such time or at such times as the Bank deems expedient.

13. Waivers by Borrower and Guarantors. To the fullest extent permitted under Governing Law, the Borrower and the Guarantors waive demand, notice, protest, notice of

acceptance of this Agreement, notice of disbursements made to Borrower with respect to the Loans or otherwise, credit extended, IP Collateral received or delivered, or other action taken in reliance hereon, and all other demands and notices of any description. With respect to both the Obligations and the IP Collateral, the Borrower and each of the Guarantors assent to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange, or release of or failure to perfect any security interest in any IP Collateral, to the addition or release of any party or Person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising, or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank shall have no duty as to the collection or protection of the IP Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto. The Borrower and each of the Guarantors further waive any and all other suretyship defenses available under Governing Law.

14. Notices. All notices and other communications provided for under this Agreement and under the other Loan Documents shall be in writing (including facsimile transmissions) and mailed or transmitted or delivered, if to the Borrower or the Guarantors, at their address at 700 Blackstone Centre, Omaha, Nebraska 68131, Attention: Mr. Mark Denniston Huber, and if to the Bank, at its address at 1620 Dodge Street, STOP 1050, Omaha, Nebraska 68197, Attention: Gary J. Grote; 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 14. Except as otherwise provided in this Agreement, all such notices and communications shall be effective when deposited in the U.S. mail and addressed as aforesaid, except that notices to the Bank pursuant to the provisions of this Section 14 shall not be effective until received by the Bank.

15. Successors and Assigns. The terms of this Agreement shall be binding upon and inure to the benefit of the successors-in-interest and assigns of Borrower, Guarantors, and Bank; provided that neither Borrower nor Guarantors may assign their rights or obligations under this Agreement by contract, operation of law, or otherwise without the prior written consent of Bank, which may be withheld in Bank's sole discretion.

16. Time is of the Essence. Time is an essential element to the performance of each term of this Agreement.

17. Headings. All headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.

18. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nebraska without giving effect to any choice or conflict of law provision or rule (whether of the State of Nebraska or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Nebraska (the "Governing Law").

19. Miscellaneous. The rights and remedies of Bank under this Agreement are cumulative, and no exercise of any right or remedy shall preclude the exercise of any other right or remedy or the later exercise of the same right or remedy. Waivers and approvals under this

Agreement shall be in writing and unless otherwise expressly stated, waivers and approvals shall apply only to the specific circumstance addressed. Notwithstanding any other provision of this Agreement, Bank shall not be deemed to have accepted any property other than cash in satisfaction of any Obligation unless Bank shall make an express written election of said remedy under Governing Law.

20. Amendment. This Agreement shall not be amended or modified in any way except by a written instrument executed by Bank, Borrower, and the Guarantors.

21. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect under Governing Law, such invalidity, illegality or unenforceability, at the option of Bank, shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If the Security Interest is invalid or unenforceable as to any portion of the Obligations or the IP Collateral, all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be applied first to the full payment of that portion of the Obligations not secured or not fully secured by the IP Collateral.

22. Preservation of Rights. Bank shall not be obligated to preserve any rights Borrower or any Guarantor may have against other parties, to realize on the IP Collateral at all or in any particular manner or order, or to apply any cash proceeds of IP Collateral in any particular order of application, except as otherwise expressly provided herein.

23. Jury Trial Waiver. THE BORROWER AND EACH OF THE GUARANTORS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. NO EMPLOYEE OF THE BANK HAS AUTHORITY TO WAIVE, CONDITION, OR MODIFY THE TERMS AND PROVISIONS OF THIS SECTION OF THIS AGREEMENT.

24. Submission to Jurisdiction; Venue. Borrower and each of the Guarantors submit to the jurisdiction of any state or federal court sitting in Omaha, Nebraska, in any action or proceeding arising out of or relating to this Agreement and agree that all claims in respect of the action or proceeding may be heard and determined in any such court. Borrower and each of the Guarantors also agree not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Borrower and each of the Guarantors waive any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waive any bond, surety, or other security that might be required of Bank. Borrower and each of the Guarantors agree that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity. Borrower and each of the Guarantors hereby waive any rights they may have to transfer or change the venue of any suit, action or other proceeding brought against Borrower or any Guarantor by Bank in accordance with this Section or in connection with this Agreement.


25. Exhibits and Recitals. Each writing referred to in this Agreement as being attached hereto as an exhibit or otherwise referred to herein or designated in this Agreement, whether or not as an exhibit hereto, is hereby incorporated herein and made a part of this Agreement. The recitals contained above are incorporated herein and made a part of this Agreement by this reference.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Borrower and the Guarantors have caused this Agreement to be executed and delivered to Bank as of the date set forth above.

“Borrower”

PAYFLEX SYSTEMS USA, INC.,
a Nebraska corporation

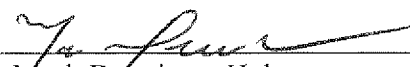
By: 
Mark Denniston Huber,
Chief Executive Officer

“Guarantors”

COBRA OUTSOURCING COMPANY,
a Nebraska corporation

By: 
Mark Denniston Huber,
President

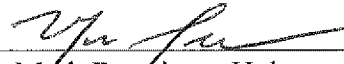
BLACKSTONE INSURANCE GROUP, INC.,
a Nebraska corporation

By: 
Mark Denniston Huber,
Chief Executive Officer

FLEXAMERICA, INC.,
a Maryland corporation

By: 
Mark Denniston Huber,
Chief Executive Officer

DENVER RESERVE COMPANY, LLC,
a Colorado limited liability company

By: 
Mark Denniston Huber,
Chief Executive Officer

PAYFLEX HOLDINGS, INC.,
a Delaware corporation

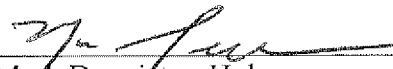
By: 
Mark Denniston Huber,
Chief Executive Officer

EXHIBIT A

Copyrights

ISSUED COPYRIGHTS

Copyright Description	Country	Registration Number	Date of Issuance
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NONE

PENDING COPYRIGHT APPLICATIONS

Copyright Description	Country	Application Number	Date of Filing	First Date of Public Distribution
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NONE

UNREGISTERED COPYRIGHTS (Where No Application is Pending)

Copyright Description	Date of Creation	First Date of Distribution
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NONE

EXHIBIT B

Patents

Patent Description -----	Docket No. -----	Country -----	Serial No. -----	Filing Date -----	Status -----
NONE					

EXHIBIT C

Trademarks and Service Marks

<u>Description</u>	<u>State/ Country</u>	<u>Serial No./ SOS Account No.</u>	<u>Status</u>
	USA	76/222,588	Registered.
	Nebraska	1547640	Registered.
Denver Reserve	USA	78/629,555	Registered.
FlexAmerica	USA	78/271,850	Registered.
HSAmerica	USA	77/067,081	Pending.
PayFlex	USA	76/222,590	Registered.
Payroll Resources	USA	74/356,023	Registered.

EXHIBIT D

Licenses

NONE