

09-25-2007



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To the Director of the U. S. Patent a.

documents or the new address(es) below.

9.24.07

1. Name of conveying party(ies):

Witmer Associates, Inc.
104 Independence Way
Coatesville, PA 19320

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

Citizenship (see guidelines)

Additional names of conveying parties attached? Yes No

3. Nature of conveyance /Execution Date(s) :

Execution Date(s) September 19, 2007

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

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Wilmington Trust of Pennsylvania

Internal

Address:

Street Address: 797 East Lancaster Avenue

City: Villanova

State: PA

Country: United States Zip: 19085

- Association
- General Partnership
- Limited Partnership
- Corporation
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) 77002045;
77018785; 77002049; 77002051;
77003356; 77050975; 77205310

B. Trademark Registration No.(s)

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Gilbert J. Golding, Esquire

Internal Address: Curtin & Heefner, LLP

Street Address: 250 N. Pennsylvania Avenue

City: Morrisville

State: PA Zip: 19067

Phone Number: 215-736-2521

Fax Number: 215-736-3647

Email Address: gjjg@curtinheefner.com

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 190.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____

Authorized User Name _____

9. Signature:

James A. Witmer
Signature

9/19/07
Date

James A. Witmer, President

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 19

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

09/24/2007 DBYRNE 00000077 77002045
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150.00 OP
01 FC:8521
02 FC:8522

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of this 19th day of September, 2007, by and between **WITMER ASSOCIATES, INC.**, a corporation organized or formed under the laws of the Commonwealth of Pennsylvania (the "Borrower"), and **WILMINGTON TRUST OF PENNSYLVANIA** (the "Secured Party" or the "Bank").

BACKGROUND

A. The Borrower and the Bank are parties to a Revolving Credit and Term Loan Agreement dated of even date herewith (such agreement as amended or otherwise modified from time to time, being hereinafter referred to as the "Loan Agreement") pursuant to which the Bank has agreed to make that certain loan (the "Loan") to the Borrower. Reference is made to the Loan Agreement for a statement of the terms and conditions under which the Loan is evidenced and has been or will be made.

B. As a condition to entering into the Loan Agreement and making the Loan, the Bank has requested collateral to secure the payment of the Obligations by the Borrower to the Bank, and the Borrower is willing and consented to granting a lien and security interest in collateral to secure the Loan as evidenced by this Security Agreement and pursuant to the terms of the Loan Agreement and other related loan documents. The Loan Agreement, this Security Agreement and the other related loan documents are collectively referenced herein as the "Loan Documents."

C. The Secured Party is willing to grant the extensions of credit contemplated by the Loan Agreement only on the condition that the Borrower executes and delivers this Security Agreement to the Secured Party.

D. Capitalized terms contained in Section 1 of this Security Agreement and used hereinafter shall have the meanings ascribed to them in the revised Article 9 of the Uniform Commercial Code as enacted in the Commonwealth of Pennsylvania and in effect on the date hereof (the "Uniform Commercial Code"), unless the context requires otherwise. Other capitalized terms which are used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

E. The terms of the Loan Agreement are incorporated herein by reference.

COVENANTS

NOW, THEREFORE, incorporating the Background Section herein, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in consideration of the foregoing and intending to be legally bound, the Borrower and the Secured Party hereby agree as follows:

Section 1. Creation of Security Interest. The Borrower hereby grants to the Secured Party a security interest in and first lien priority position on and to the property hereinafter described, whether now owned or hereafter acquired or arising and wherever located (the "Collateral"):

All tangible and intangible personal property of the Borrower, including but not limited to:

- (a) all Accounts, including Health-Care-Insurance Receivables;
- (b) Chattel Paper, including without limitation, Tangible Chattel Paper and Electronic Chattel Paper
- (c) Deposit Accounts;
- (d) Documents;
- (e) General Intangibles, including without limitation, Payment Intangibles and Software, licenses, distribution and other agreements, computer software, computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, goodwill, trademarks and service marks (including but not limited to the trademarks or servicemarks filed and/or registered with the United States Patent and Trademark Office identified by (i) serial number 77002045, (ii) serial number 77018785, (iii) serial number 77002049, (iv) serial number 77002051, (v) serial number 77003356, (vi) serial number 77050975, and (vii) serial number 77205310), trade names, domain names, patents, patent applications, copyrights and income tax refunds;
- (f) Goods, wherever located, including without limitation, Equipment (including machinery, motor vehicles, furniture and fixtures), Fixtures and Accessions and Inventory, whether held for sale or lease or to be furnished under contracts of service (including raw material, work in process and materials used or consumed in the conduct of the Borrower's business);
- (g) Instruments, including Promissory Notes;
- (h) Investment Property, securities and all subscription rights incident to such securities;
- (i) Letter-of-credit rights;
- (j) Motor vehicles;
- (k) Supporting Obligations;
- (l) all monies which at any time the Secured Party shall have or have the right to have in its possession;
- (m) all books and records evidencing or relating to the foregoing, including, without limitation, files, records, ledger sheets, documents and billing records of every kind and description, customer lists, data storage and processing media, Software and related material, including computer programs, computer tapes, cards, disks and printouts, and including any of the foregoing which are in the possession of any affiliate or any computer service bureau;
- (n) Commercial Tort Claims set forth on Schedule 1(n); and
- (o) Proceeds of the above Collateral.

If the Borrower shall at any time, acquire any Commercial Tort Claim(s) other than as set forth on Schedule 1(n), the Borrower shall immediately notify the Secured Party in a

writing signed by the Borrower of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

Further, in addition to the above, the Borrower (i) grants to the Secured Party a security interest in all accessions, parts, accessories, attachments and appurtenances in any way used with, attached or related to, or installed in, or intended to be so used, attached, related to or installed in any equipment or inventory constituting Collateral hereunder; (ii) grants to the Secured Party a security interest in all substitutions for, renewals of, improvements, replacements and additions to, and the products and proceeds (cash and non-cash) of all of the foregoing property and any insurance policies relating thereto; and (iii) assigns to Bank all moneys which may become payable on any policy of insurance maintained or required to be maintained under this Agreement, including returned or unearned premiums.

Section 2. Secured Obligations.

The lien and security interest created herein is given as security for the prompt payment, performance, satisfaction and discharge of the following obligations (the "Obligations") of the Borrower:

(a) To pay the principal, interest, commitment fees and any other liabilities of the Borrower to the Secured Party under the Loan Agreement and the other Loan Documents in accordance with the terms thereof;

(b) To satisfy all of the other liabilities of the Borrower to the Secured Party, whether hereunder or otherwise, whether now existing or hereafter incurred, whether or not evidenced by any note or other instrument, matured or unmatured, direct, absolute or contingent, joint or several, including any extensions, modifications, renewals thereof and substitutions therefor;

(c) To repay the Secured Party all amounts advanced by the Secured Party hereunder or otherwise on behalf of the Borrower, including, but without limitation, advances for principal or interest payments to prior secured parties, mortgagors or lienors, or for taxes, levies, insurance, rent, wages, repairs to or maintenance or storage of any Collateral;

(d) To reimburse the Secured Party, on demand, for all of the Secured Party's expenses and costs, including the reasonable fees and expenses of its counsel, in connection with the negotiation, preparation, administration, amendment, modification, or enforcement of the Loan Agreement and the other Loan Documents; and

(e) as fully set forth in the Loan Agreement and the other Loan Documents.

Section 3. Representations and Warranties. The Borrower, as of the date hereof and at the time of each advance or extension of credit under the Loan Agreement, represents and warrants as follows:

3.1 **Good Title to Collateral.** The Borrower has good and marketable title and valid right in and to the Collateral free and clear of all liens and encumbrances other than

the security interests granted to the Secured Party hereunder and those liens and encumbrances permitted under the Loan Agreement.

3.2 **Fictitious Name, Merger, Consolidation.** Borrower has not, during the past five (5) years, been known by or used any other corporate or fictitious name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth on Schedule 3.2 hereto.

3.3 **Organization.** The Borrower is a corporation organized under the laws of the Commonwealth of Pennsylvania. The Borrower's exact legal name is as set forth in the first paragraph of this Security Agreement. If the form of organization of the Borrower does not require registration with any governmental authority to come into existence, the places of business of the Borrower are as set forth on Exhibit A and, if the Borrower has more than one place of business, the chief executive offices of the Borrower are at the addresses set forth in Exhibit A or at the location(s) hereafter disclosed to the Secured Party pursuant to Section 5.11 hereof.

3.4 **Filings of Record.** No financing statement covering any of the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement or permitted under the Loan Agreement..

3.5 **Non-Contravention.** The making and performing of this Security Agreement is not in contravention of or prohibited by an indenture, agreement, or undertaking to which the Borrower is a party or by which the Borrower is bound or affected.

3.6 **Financing Statements.** Completed UCC financing statements (including fixture filings, as applicable), or other appropriate filings, recordings or registrations containing a description of the Collateral have been delivered to the Secured Party for filing in each governmental, municipal or other office specified in Schedule 3.6, which are all the filings, recordings or registrations that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Secured Party in respect of all Collateral in which the security interest granted hereunder may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, rerecording, registration or reregistrations is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

Section 4. Collection, Disposition and Use of Collateral.

4.1 **Accounts.** The Secured Party hereby authorizes the Borrower to collect all Accounts from the Account Debtors. The Proceeds of Accounts so collected by the Borrower shall be received and held by the Borrower in trust for the Secured Party but may be applied by the Borrower in its discretion towards payment of the Obligations or other purposes permitted under the Loan Documents. Upon the occurrence of an Event of Default (as hereinafter defined), the authority hereby given to the Borrower to collect the Proceeds of Accounts in trust for the Secured Party may be terminated by the Secured Party at any time and Secured Party shall have the right at any time thereafter, acting if it so chooses in the Borrower's name, to collect Accounts itself, to sell, assign, compromise, discharge or extend the time for payment of any Account, and to do all acts and things necessary or incidental thereto and the Borrower hereby ratifies all such acts. Upon the occurrence of an Event of

Default, at the Secured Party's request, the Borrower will notify Account Debtors and any guarantor thereof that the Accounts payable by such Account Debtors have been assigned to the Secured Party and shall indicate on all billings to Account Debtors that payments thereon are to be made to the Secured Party.

4.2 **Inventory**. So long as there has been no Event of Default hereunder, the Borrower shall be permitted to process and sell its Inventory, but only to the extent that such processing and sale are conducted in the ordinary course of the Borrower's business.

4.3 **Equipment**. So long as there has been no Event of Default hereunder, the Borrower shall be permitted to use its Equipment in the ordinary course of its business. No sale, lease or other disposition of any item of Equipment shall be permitted, except in the ordinary course of business or otherwise in accordance with such terms and conditions as the Secured Party shall have expressly approved in writing and except for the sale or other disposition of obsolete Equipment which is no longer used or useful in the Borrower's business.

Section 5. Covenants and Agreements of the Borrower.

5.1 **Maintenance and Inspection of Books and Records**. The Borrower shall maintain complete and accurate books and records and shall make all necessary entries therein to reflect the costs, values and locations of its Inventory and Equipment and the transactions and documents giving rise to its Accounts and all payments, credits and adjustments thereto. The Borrower shall keep the Secured Party fully informed as to the location of all such books and records and shall permit the Secured Party and its authorized agents to have full, complete and unrestricted access thereto as provided in the Loan Agreement and to inspect, audit and make copies, at the Borrower's cost, of all books and records, data storage and processing media, software, printouts, journals, orders, receipts, invoices, correspondence and other documents and written or printed matter related to any of the Collateral. The Secured Party's rights hereunder shall be enforceable at law or in equity, and the Borrower consents to the entry of judicial orders or injunctions enforcing specific performance of such obligations hereunder.

5.2 **Notice of Change/Relocation by Borrower**. Borrower will furnish to the Secured Party prompt written notice of any change (i) in Borrower's corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of Borrower's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in Borrower's identity or corporate structure, (iv) in Borrower's Federal Taxpayer Identification Number or (v) in Borrower's jurisdiction of organization. Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for Secured Party to continue at all times following such change to have a valid, legal and perfected security interest in all Collateral. Borrower also agrees promptly to notify the Secured Party if any material portion of the Collateral is damaged or destroyed.

5.3 **Confirmation of Accounts**. The Borrower agrees that the Secured Party shall at all times have the right to confirm orders and to verify any or all of the Borrower's Accounts in the Secured Party's name, or in any fictitious name used by the Secured Party for verifications, or through any public accountants.

5.4 **Delivery of Accounts Documentation.** At such intervals as the Secured Party shall reasonably require, the Borrower shall deliver to the Secured Party copies of purchase orders, invoices, contracts, shipping and delivery receipts and any other document or instrument which evidences or gives rise to an Account.

5.5 **Physical Inspection of Goods, Inventory and Equipment.** The Borrower shall permit the Secured Party and its authorized agents to inspect any or all of the Borrower's Goods, Inventory and Equipment as provided in the Loan Agreement.

5.6 **Notice of the Secured Party's Interests.** If requested by the Secured Party, the Borrower shall give notice of the Secured Party's security interests in the Collateral to any third person with whom the Borrower has any actual or prospective contractual relationship or other business dealings.

5.7 **Delivery of Certain Collateral to the Secured Party.** Immediately upon receipt of any Instrument, Tangible Chattel Paper, Document or Investment Property, the Borrower shall deliver such Collateral to the Secured Party and shall execute any form of assignment requested by the Secured Party with respect thereto. All Chattel Paper created by the Borrower must contain a legend indicating the security interest of the Secured Party.

5.8 **Accounts Agings.** The Borrower shall furnish the Secured Party with agings of its Accounts in such form and detail and at such intervals as as provided in the Loan Agreement.

5.9 **Government Accounts.** The Borrower shall immediately provide written notice to the Secured Party of any and all Accounts which arise out of contracts with the United States or any department, agency or instrumentality thereof, and shall execute and deliver to the Secured Party an assignment of claims for such Accounts and cooperate with the Secured Party in taking any other steps required, in the Secured Party's judgment, to perfect or continue the perfected status of the Secured Party's security interest in such Accounts and proceeds thereof under the Federal Assignment of Claims Act.

5.10 **Defend the Collateral.** In the event that the Collateral shall hereafter become subject to any lien, encumbrance, security interest or claim of any other person or entity (other than with the express written consent of the Secured Party), the Borrower shall immediately undertake to secure the release of the Collateral from such lien, encumbrance, security interest or claim at the Borrower's own cost and expense. The Borrower shall appear in and defend any action or proceeding which may affect the security interest of the Secured Party in the Collateral.

5.11 **Insurance of Collateral.** The Borrower shall keep its Inventory and Equipment insured against such perils, in such amounts and with such insurance companies as the Secured Party may require. All insurance policies shall name the Secured Party as lender loss payee and shall provide for not less than thirty (30) days' advance notice in writing to the Secured Party of any cancellation thereof. The Secured Party shall have the right (but shall be under no obligation) to pay any of the premiums on such insurance. Any premiums paid by the Secured Party shall, if the Secured Party so elects, be considered an advance at the highest rate of interest provided in the Loan Documents, and all such accrued interest shall be payable on demand. Any credit insurance covering Accounts shall name the Secured Party as loss payee. The Borrower expressly authorizes its insurance carriers to pay

proceeds of all insurance policies covering any or all of the Collateral directly to the Secured Party.

5.12 **Existence.** The Borrower shall preserve its existence and not merge into or consolidate with any other entity, or sell all or substantially all of its assets. The Borrower shall not change the state of its organization, its name, place of business or chief executive office without obtaining the prior written consent of the Secured Party.

5.13 **Perfection of Secured Party's Interests.**

(a) The Borrower agrees to cooperate and join, at its expense, with the Secured Party in taking such steps as are necessary, in the Secured Party's judgment, to perfect or continue the perfected status of the security interests granted hereunder, including, without limitation, the execution and delivery of any financing statements, amendments thereto and continuation statements, the delivery of Chattel Paper, Documents or Instruments to the Secured Party, the obtaining of landlords' and mortgagees' waivers required by the Secured Party, the notation of encumbrances in favor of the Secured Party on certificates of title, and the execution and filing of any collateral assignments and any other instruments requested by the Secured Party to perfect its security interest in any and all of the Borrower's General Intangibles.

(b) The Secured Party may at any time and from time to time, file financing statements, continuation statements and amendments thereto that describe the Collateral in particular or as all assets of the Borrower or words of similar effect and which contain any other information required by the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether the Borrower is an organization, the type of organization and any organization identification number issued to the Borrower. The Borrower agrees to furnish any such information to the Secured Party promptly upon request. Any such financing statements, continuation statements or amendments may be signed by the Secured Party on behalf of the Borrower, and may be filed at any time in any jurisdiction whether or not Revised Article 9 of the Uniform Commercial Code is then in effect in that jurisdiction.

(c) The Borrower shall, at any time and from time to time, take such steps as the Secured Party may reasonably require for the Secured Party, (i) to obtain an acknowledgment, in form and substance satisfactory to the Secured Party, of any third party having possession of any of the Collateral that the third party holds such Collateral for the benefit of the Secured Party, (ii) to obtain "control" (as described in the Uniform Commercial Code) of any Investment Property, Deposit Accounts, Letter-of-Credit Rights or Electronic Chattel Paper, with any agreements, establishing control to be in form and substance satisfactory to the Secured Party, and (iii) otherwise to insure the continued perfection and priority of the Secured Party's security interest in any of the Collateral and of the preservation of its rights therein.

5.14 **Maintenance of Goods, Inventory and Equipment.** The Borrower shall care for and preserve the Goods, Inventory and Equipment in good condition and repair, ordinary wear and tear excepted, and will pay the cost of all replacement parts, repairs to and maintenance of the Goods and Equipment. The Borrower will keep complete and accurate maintenance records with respect to its Equipment.

5.15 **Notification of Adverse Change in Collateral.** The Borrower agrees immediately to notify the Secured Party if (a) any Account Debtor refuses to retain or returns any Goods, the sale or delivery of which gave rise to an Account; (b) any Account has arisen pursuant to a sale under terms which differ materially from those customarily offered by the Borrower; or (c) any event occurs or is discovered which would cause a Qualified Account or any Qualified Inventory to lose its qualified status or which would cause any material diminution in the value of any significant item or type of Collateral.

5.16 **Reimbursement and Indemnification.** The Borrower agrees to reimburse the Secured Party on demand for out-of-pocket expenses incurred in connection with the Secured Party's exercise of its rights under this Security Agreement. The Borrower agrees to indemnify the Secured Party and hold it harmless against any costs, expenses, losses, damages and liabilities (including reasonable attorneys' fees and court costs) incurred in connection with this Security Agreement, other than as a direct result of the Secured Party's gross negligence or willful misconduct.

5.17 **Use of the Collateral.** The Borrower shall use the Collateral lawfully and only with insurance coverage and shall not use the Collateral so as to cause or result in waste, unreasonable deterioration or depreciation.

5.18 **Consent to Sell the Collateral.** Except as otherwise permitted under this Security Agreement, the Borrower shall not, without the written consent of the Secured Party, sell, contract to sell, lease, encumber or dispose of the Collateral until the Obligations to the Secured Party has been fully and finally discharged.

5.19 **Taxes and Assessments.** The Borrower shall pay, when due, all taxes, assessments, charges, liens, levies or encumbrances now or hereafter assessed against the Collateral.

5.20 **No Other Security Interests.** The Borrower shall not grant any security interests to any Person other than the Secured Party without first obtaining the Secured Party's written consent or as shall be permitted in the Loan Agreement.

Section 6. Power of Attorney. The Borrower hereby appoints the Secured Party as its lawful attorney-in-fact to do, at the Secured Party's option, and at the Borrower's expense and liability, all acts and things which the Secured Party may deem necessary or desirable to effectuate its rights under this Security Agreement, including without limitation, (a) file financing statements and otherwise perfect any security interest granted hereby, (b) correspond and negotiate directly with insurance carriers, (c) upon the occurrence of an Event of Default hereunder, receive, open and dispose of in any reasonable manner all mail addressed to the Borrower and notify Postal Service authorities to change the address for mail addressed to the Borrower to an address designated by the Secured Party, (d) upon the occurrence of an Event of Default hereunder, communicate with Account Debtors and other third parties for the purpose of protecting or preserving the Collateral, and (e) upon the occurrence of an Event of Default hereunder, in the Borrower's or the Secured Party's name, to demand, collect, receive, and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue or dismiss, with or without prejudice, any suit or proceeding respecting any of the Collateral.

Section 7. Default. The occurrence of any one or more of the following shall be an event of default ("Event of Default") hereunder:

7.1 **Default Under Loan Agreement.** The occurrence of an Event of Default under the Loan Agreement, this Security Agreement or any of the other Loan Documents.

7.2 **Market Value of the Collateral.** If the Secured Party determines, in its reasonable discretion, that the market value of the Collateral has sustained, or is in danger of suffering, a material adverse change.

Section 8. Secured Party's Rights Upon Default. Upon the occurrence of an Event of Default, or at any time thereafter, the Secured Party may immediately and without notice pursue any remedy available at law or in equity to collect, enforce or satisfy any Obligations, including any or all of the following, which rights and remedies are cumulative, may be exercised from time to time, and are in addition to any rights and remedies available to the Secured Party under the Loan Agreement or any of the other Loan Documents.

8.1 **Uniform Commercial Code Rights.** Exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code, including the right to require the Borrower to assemble the Collateral and make it available to the Secured Party at a place reasonably convenient to the parties.

8.2 **Operation of Collateral.** Operate, utilize, recondition and/or refurbish (at the Secured Party's sole option and discretion and in any manner) any of the Collateral which is Equipment, for the purpose of enhancing or preserving the value thereof or the value of any other Collateral.

8.3 **Collection Rights.** Enforce the obligations of any Account Debtor or other person obligated on Collateral and exercise the rights of the Borrower with respect to the obligation of any Account Debtor or other person obligated on Collateral to make payment or otherwise render performance to the Borrower. Notify the Account Debtors or other person obligated on Collateral that payments are to be made directly to the Secured Party, or to such post office box as the Secured Party may direct. The Borrower shall not compromise, discharge, extend the time for payment or otherwise grant any indulgence or allowance with respect to any Account without the prior written consent of the Secured Party.

8.4 **Sale of Collateral.** Upon ten (10) calendar days' prior written notice to the Borrower, which the Borrower hereby acknowledges to be sufficient, commercially reasonable and proper, sell, lease or otherwise dispose of any or all of the Collateral at any time and from time to time at public or private sale, with or without advertisement thereof and apply the proceeds of any such sale first to the Secured Party's expenses in preparing the Collateral for sale (including reasonable attorneys' fees), second to the complete satisfaction of the Obligations and third, as required by the Uniform Commercial Code. The Borrower waives the benefit of any marshalling doctrine with respect to the Secured Party's exercise of its rights hereunder. The Borrower grants a royalty-free license to the Secured Party for all patents, service marks, trademarks, tradenames, copyrights, computer programs and other intellectual property and proprietary rights sufficient to permit Secured Party to exercise all rights granted to Secured Party under this Section.

8.5 **Set-Off.** The Secured Party shall have the right, in addition to all other rights and remedies available to it, without notice to the Borrower, to apply toward and set-off against and apply to the then unpaid balance of the Obligations any items or funds held by the Secured Party, any and all deposits (whether general or special, time or demand, matured

or unmatured, fixed or contingent, liquidated or unliquidated) now or hereafter maintained by the Borrower for its own account with the Secured Party, and any other indebtedness at any time held or owing by the Secured Party to or for the credit or the account of the Borrower. For such purpose the Secured Party shall have, and the Borrower hereby grants to the Secured Party, a security interest in and a first lien priority position upon and rights at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower, on all such deposits, credits, securities, moneys or other properties of the Borrower which may at any time be in the possession of, delivered to or owed by the Bank, including any proceeds or returned or unearned premiums of insurance and all of the proceeds of the foregoing property against any and all obligations of the Borrower now or hereafter existing. The Secured Party is hereby authorized to charge any such account or indebtedness for any amounts due to the Secured Party. Such right of set-off shall exist whether or not the Secured Party shall have made any demand under this Security Agreement, or any other Loan Document and whether or not the other Obligations are matured or unmatured. The Borrower hereby confirms the Secured Party's lien on such accounts and right of set-off, and nothing in this Security Agreement shall be deemed any waiver or prohibition of such lien and right of set-off.

Section 9. Notices. Any written notices required or permitted by this Security Agreement shall be effective if delivered in accordance with the Loan Agreement.

Section 10. No Assumption of Liability. The lien and security interest granted hereunder is granted as Security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of Borrower with respect to or arising out of the collateral.

Section 11. Miscellaneous.

11.1 No Waiver. No delay or omission by the Secured Party in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any further exercise thereof or the exercise of any other right or remedy.

11.2 Preservation of Rights. The Secured Party shall have no obligation or responsibility to take any steps to enforce or preserve rights against any parties to any Account and such obligation and responsibility shall be those of the Borrower exclusively. Further, the Borrower hereby authorizes Secured Party, and the Secured Party shall have the continuing rights, at its sole option and discretion, but is not obligated to: (a) do anything which Secured Party is required but fails to do hereunder, and in particular the Secured Party may, if the Borrower fails to do so: (i) insure or take any reasonable steps to protect the Collateral, (ii) pay all taxes, levies, expenses and costs arising with respect to the Collateral, or (iii) pay any premiums payable on any policy of insurance required to be obtained or maintained hereunder; (b) direct any insurer to make payment of any insurance proceeds, including any returned or unearned premiums, directly to the Secured Party and apply such moneys to any Obligations evidenced or secured hereby in such order or fashion as the Secured Party may elect; and (c) inspect the Collateral at any reasonable time. In addition to rights given to the Secured Party in this Security Agreement and the Loan Agreement and the other Loan Documents, the Secured Party shall have all the rights and remedies of a secured party in or under any applicable law, including without limitation, the Uniform Commercial Code.

11.3 **Successors and Assigns.** This Security Agreement (a) shall be binding upon the Borrower and the Bank and their respective permitted successors and assigns and (b) shall inure to the benefit of the Borrower and the Bank and its respective permitted successors and assigns; provided, however that no Borrower may assign its rights hereunder or any interest herein without the prior written consent of the Bank, and any such assignment or attempted assignment by any Borrower shall be void and of no effect with respect to the Bank. The Bank may assign this Security Agreement in whole or in part in its sole discretion at any and all time(s).

11.4 **Complete Agreement.** This Security Agreement and the instructions and notices required or permitted to be executed and delivered hereunder set forth the entire agreement of the parties with respect to the subject matter hereof, and supersede any prior agreement and contemporaneous oral agreements of the parties concerning its subject matter.

11.5 **Counterparts; Effectiveness.** This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts. Each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. This Agreement may be executed by exchange of facsimile signatures, which shall be deemed original signatures for purposes of this Agreement or otherwise. This Agreement shall be deemed to have been executed and delivered when the Bank has received counterparts hereof executed by all parties listed on the signature page(s) hereto.

11.6 **Amendments.** No modification, rescission, waiver, release or amendment of any provisions of this Security Agreement shall be effective unless set forth in a written agreement signed by the Borrower and an authorized officer of the Secured Party.

11.7 **Governing Law.** This Security Agreement shall be governed by and be construed under the internal laws of the Commonwealth of Pennsylvania without reference to conflict of laws principles.

11.8 **Severability.** If any provision of this Security Agreement shall be held invalid or unenforceable under applicable law in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of such provision in any other jurisdiction or the validity or enforceability of any other provision of this Security Agreement that can be given effect without such invalid or unenforceable provision.

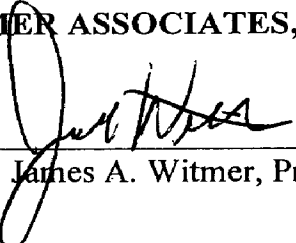
11.9 **Waiver of Jury Trial.** Each and every party to this Security Agreement agrees that any suit, action or proceeding, whether claim or counterclaim, brought or instituted by any party hereto or any successor or assign of any party, on or with respect to this Security Agreement or the dealings of the parties with respect hereto, shall be tried only by a court and not by a jury. **EACH AND EVERY PARTY HEREBY KNOWINGLY, EXPRESSLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING.** Further, each party waives any right it may have to claim or recover, in any such suit, action or proceeding, any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. **THE BORROWER ACKNOWLEDGES AND AGREES THAT THIS PARAGRAPH IS A SPECIFIC AND MATERIAL ASPECT OF THIS SECURITY AGREEMENT AND THAT THE SECURED PARTY WOULD NOT EXTEND CREDIT TO THE BORROWER IF THE WAIVERS SET FORTH IN THIS PARAGRAPH WERE NOT A PART OF THIS SECURITY AGREEMENT.**

11.10 Acknowledgment. THIS SECURITY AGREEMENT CONTAINS A POWER OF ATTORNEY COUPLED WITH AN INTEREST AND IS FOR THE SOLE BENEFIT OF THE SECURED PARTY. THIS SECURITY AGREEMENT IS BEING EXECUTED IN CONNECTION WITH A LOAN OR OTHER FINANCIAL TRANSACTION FOR BUSINESS PURPOSES AND NOT PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. THE SECURED PARTY, AS AGENT FOR THE BORROWER, UNDER THE POWER OF ATTORNEY, IS NOT A FIDUCIARY FOR THE BORROWER, IN EXERCISING ANY OF ITS RIGHTS OR POWERS PURSUANT TO THE POWER OF ATTORNEY, MAY DO SO FOR THE SOLE BENEFIT OF THE SECURED PARTY AND NOT FOR THE BORROWER.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned hereto, intending to be legally bound and to create an instrument under seal, have duly executed this Agreement the day and year aforesaid and have affixed their respective seals or have adopted as their own the seals typed next to their respective signatures with the intent to be legally bound hereby as of the day and year first above written.

WITMER ASSOCIATES, INC.

By:  _____ (SEAL)
James A. Witmer, President

WILMINGTON TRUST OF PENNSYLVANIA

By:  _____ (SEAL)
Michael A. Pascali, Vice President

SCHEDULE 1(n)

LISTING OF EXISTING COMMERCIAL TORTS

NONE

SCHEDULE 3.2

DISCLOSURE OF FICTITIOUS NAME, MERGER, CONSOLIDATION

On October 3, 2005, Borrower acquired certain assets of PA Police Supply, including Inventory, tradenames/domain names (for a purchase price of \$1,000,000.00), as well as goodwill (purchase price \$100,000.00).