

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 22, 2004

SEGMENTZ, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-49606
(Commission File Number)

03-0450326
(I.R.S. Employer
Identification No.)

18302 Highwoods Preserve Parkway, Suite 100, Tampa, FL 33647
(Address of principal executive offices – zip code)

(813) 989-2232
(Registrant's telephone number, including area code)

Not applicable
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
 - Pre-commencement communications
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ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION

On November 17, 2004, Segmentz, Inc. ("Segmentz") entered into agreements (the "Loan Documents") with Fifth Third Bank, a Michigan banking corporation, under which Fifth Third Bank extended an asset-based line of credit to Segmentz. Under the Loan Documents Segmentz may draw down under the line of credit the lesser of \$3,500,000 and 80% of the eligible accounts receivable of Segmentz and its wholly owned subsidiary Express 1, Inc. All obligations of Segmentz under the agreements are secured by the accounts receivable of Segmentz. Express 1, Inc. entered into agreements providing for a guaranty of the obligations of Segmentz under the Loan Documents, which guaranty is secured by the accounts receivable of Express 1, Inc. All advances under the Loan Documents are subject to interest at the rate of the one-month LIBOR plus 2.0%, payable monthly. The maturity date of the loan is July 1, 2005.

Copies of the following Loan Documents are attached hereto as exhibits: Commercial Revolving Note, Security Agreements, Loan Agreement, and Guaranty. The disclosures set forth herein are qualified in their entirety by the terms of the Loan Documents which are filed herewith as Exhibit 10.1 through Exhibit 10.5.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

- 10.1 Commercial Revolving Note between Segmentz, Inc., and Fifth Third Bank, dated November 17, 2004.
- 10.2 Security Agreement between Segmentz, Inc., and Fifth Third Bank, dated November 17, 2004.
- 10.3 Loan Agreement Addendum between Segmentz, Inc., and Fifth Third Bank, dated November 17, 2004.
- 10.4 Continuing Guaranty between Express 1, Inc., and Fifth Third Bank, dated November 17, 2004.
- 10.5 Security Agreement between Express 1, Inc., and Fifth Third Bank, dated November 17, 2004.
- 99.1 Press Release dated November 22, 2004.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SEGMENTZ, INC.

By: /s/ Andrew J. Norstrud

Name: Andrew J. Norstrud
Title: Chief Financial Officer

Date: November 22, 2004

COMMERCIAL REVOLVING NOTE

Date: November 17, 2004

Customer No. _____

Due Date: July 1, 2005

Amount: \$3,500,000

Note No. _____

Promise to Pay. The undersigned promise(s) to pay to the order of **Fifth Third Bank**, a Michigan banking corporation (the "Bank"), at any office of the Bank in the State of Michigan, on the due date above, the sum of Three Million Five Hundred Thousand U.S. Dollars and to pay interest on the unpaid balance at the Note Rate (as defined below) until either an Event of Default (as defined below) occurs or this Note becomes due, whether by default, demand or maturity, and thereafter at a rate equal to the Note Rate plus 4% per annum until such Event of Default is cured or waived in writing by the Bank. In no event shall the interest rate exceed the maximum rate allowed by law. Accrued interest shall be paid on the same day of each month, beginning December 1, 2004.

Interest Rate (LIBOR). The "Note Rate" shall mean 4.13% per annum until the first Adjustment Date, and on the first and each subsequent Adjustment Date, the Note Rate shall be adjusted to equal the Index in effect for such Adjustment Date plus 2% per annum. For any Adjustment Date, the "Index" means the London Interbank Offered Rate (One Month) as reported by any source chosen by the Bank on such date. "Adjustment Date" means the first business day in each month following the date of this Note. In the event the London Interbank Offered Rate (One Month) ceases to be reported and is otherwise not readily determinable, the Index shall mean a published rate chosen by the Bank comparable to the London Interbank Offered Rate (One Month). Interest shall be calculated for the actual number of days the principal is outstanding on the basis of a 360 day year.

In addition, notwithstanding anything herein contained to the contrary, if any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, shall make it unlawful for the Bank to fund or maintain its funding in Eurodollars of any portion of the advances under this Note or otherwise to use the London Interbank Offered Rate (One Month) as contemplated hereby, the Bank may, by written notice to the undersigned, change the "Index" to the annual rate of interest designated by the Bank from time to time as its "Prime Rate" which may be changed at any time by the Bank and which may not be the lowest rate charged by the Bank to any of its customers. The undersigned hereby agrees to reimburse and indemnify the Bank from all increased costs or fees incurred by the Bank subsequent to the date hereof relating to the offering of rates of interest based upon the London Interbank Offered Rate (One Month).

Late Payments/Fees. If any payment is not paid when due (whether by acceleration or otherwise) or within 10 days thereafter, the undersigned agrees to pay to the Bank a late payment fee of 5% of the payment amount with a minimum fee of \$20.00. The Bank may impose a non-sufficient funds fee for any check that is presented for payment that is returned for any reason. In addition, the Bank may charge loan documentation fees as may be reasonably determined by the Bank.

Advances. This is a Note under which the Bank may, but shall not be required, to advance sums from time to time in its sole discretion and such sums may be prepaid by the undersigned from time to time; provided that the aggregate unpaid balance shall at no time exceed the face amount of this Note. The principal amount payable hereunder shall be the sum of all advances made by the Bank to or at the request of the undersigned, less principal payments actually received in cash by the Bank. The books and records of the Bank shall be the best evidence of the principal amount and the unpaid interest owing at any time hereunder and shall be conclusive absent manifest error. No interest shall accrue hereunder until the date of the first advance made by the Bank. Thereafter, interest on all advances shall accrue and be computed on the principal balance outstanding from time to time until paid in full. It is expressly understood and agreed by the undersigned that at no time shall the Bank be under any obligation to make any advances to the undersigned pursuant to this Note (notwithstanding anything expressed or implied herein or elsewhere to the contrary, including

without limit if the Bank supplies the undersigned with a borrowing formula) and the Bank, at any time and from time to time, without notice, and in its sole and absolute discretion, may refuse to make advances to the undersigned without incurring liability whatsoever due to such refusal and without in any way affecting the undersigned's liability hereunder for any and all amounts advanced. If any payment applied by the Bank to this Note is subsequently set aside, recovered, rescinded or otherwise required to be returned or disgorged by the Bank for any reason (pursuant to bankruptcy proceedings, fraudulent conveyance statutes, or otherwise), this Note shall be deemed to have continued in existence, notwithstanding the application, and this Note shall be enforceable as to the amount of such payment as fully as if the Bank had not received and applied the payment.

Security. This Note and any other indebtedness and liabilities of any of the undersigned to the Bank, and all renewals or extensions thereof, whether joint or several, contingent or absolute, now existing or hereafter arising, and howsoever evidenced (herein collectively called the "Liabilities") are secured by all items now or hereafter deposited in any account of any of the undersigned and any guarantor with the Bank and by all proceeds of such items (cash or otherwise), by all account balances of any of the undersigned and any guarantor now or hereafter with the Bank, by all property of any of the undersigned and any guarantor now or hereafter in the possession of the Bank, and by any other collateral, rights and properties described in each and every mortgage, security agreement, pledge, assignment and other security or collateral agreement which has been, or will hereafter be, executed by any of the undersigned or any guarantor to or for the benefit of the Bank (all herein collectively called the "Collateral").

Representations. The undersigned represents: (a) that the execution and delivery of this Note and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which it is bound, or require the consent or approval of any governmental authority or any third party; (b) that this Note is a valid and binding agreement, enforceable according to its terms; and (c) that all balance sheets, profit and loss statements, and other financial statements furnished to the Bank are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates. The undersigned (if not a natural person), further represents: (a) that it is duly organized, existing and in good standing pursuant to the laws under which it is organized; and (b) that the execution and delivery of this Note and the performance of the obligations it imposes (i) are within its powers and have been duly authorized by all necessary action of its governing body; and (ii) do not contravene the terms of its articles of incorporation or organization, its by laws, or any partnership, operating or other agreement governing its affairs.

Default. Occurrence of any of the following events shall be an "Event of Default" under this Note: (a) non-payment when due, of this Note or any other Liabilities, or any obligations of any guarantor to the Bank; (b) failure of the undersigned or any guarantor to comply with any term of any agreement between any of them and the Bank; (c) the Bank discovers that any warranty or representation made to it by the undersigned or any guarantor was or is false; (d) the undersigned or any guarantor becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against any of them under any bankruptcy, insolvency or similar laws or any judgment is entered or any writ of attachment, garnishment or execution or tax lien is issued or levied against any one of them, any of their property or the Collateral; (e) any indebtedness of the undersigned or any guarantor becomes due by reason of default and/or acceleration of the maturity thereof; (f) death or incompetency of the undersigned or any guarantor, if a natural person; dissolution or death of a partner of the undersigned or any guarantor, if a partnership; dissolution, merger, consolidation or a material change in the ownership of the voting stock of the undersigned or any guarantor, if a corporation; dissolution, merger, or change in the members of the undersigned, if a limited liability company; (g) cessation of the normal business operations of the undersigned or any guarantor; (h) actual, impending, or reasonably anticipated decline in the value of the Collateral or the Bank deems the margin of the Collateral securing the Liabilities to be insufficient; (i) sale of any assets of the undersigned, other than sales of inventory in the ordinary course of business; (j) if the control or management of the undersigned or any guarantor changes in a manner which adversely affects, in the sole judgment of the Bank, the ability of the undersigned or any guarantor to carry on its business as previously conducted; (k) failure of the undersigned or any guarantor to pay, when due, any federal, state, or local tax, assessment, withheld tax, or similar obligation; (l) any guaranty of, document granting security for, or subordination

agreement regarding, any of the Liabilities shall, at any time, cease to be in full force and effect or be declared null and void, or any party to such guaranty, security document or subordination agreement (other than the Bank) gives notice of termination thereunder or denies that it has any future or further liability thereunder (by giving notice to such effect or otherwise) or contests the validity or enforceability thereof; (m) the Bank deems itself insecure, in good faith, believing that the prospect of payment of this Note or any of the Liabilities is impaired or in good faith fearing deterioration, removal or waste of any of the Collateral; or (n) the undersigned or any guarantor becomes subject at any time to any law, regulation or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits the Bank from making an advance or extension of credit to the undersigned or any guarantor or from otherwise conducting business with the undersigned or any guarantor or fails to provide documentary and other evidence of the undersigned's or any guarantor's identity as may be requested by the Bank at any time to enable the Bank to verify the undersigned's or any guarantor's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

Remedies on Default. Upon occurrence of an Event of Default: (a) this Note and all of the other Liabilities (regardless of any contrary terms of such Liabilities) shall, at the Bank's option, be immediately due and payable without demand or notice; (b) the Bank may exercise any right and remedies granted to it by this Note, any of the Liabilities or any present or future agreement with any of the undersigned or any guarantor, or otherwise available to the Bank under applicable law; (c) the Bank may exercise its right of set-off and/or take possession of and dispose of any of the Collateral. The undersigned and all guarantors agree to reimburse the holder or owner of this Note upon demand for any and all costs and expenses (including without limit, court costs, legal expenses and reasonable attorney fees, whether inside or outside counsel is used, whether or not suit is instituted and, if suit is instituted, whether at the trial court level, appellate level, in a bankruptcy, probate or administrative proceeding or otherwise) incurred in collecting or attempting to collect this Note or incurred in any other matter or proceeding relating to this Note. (including participating or taking action in any bankruptcy or other insolvency proceeding of the undersigned or any guarantor).

WAIVERS. Each of the undersigned and every guarantor severally waives demand, presentment, notice of dishonor, protest, notice of demand or intent to demand, notice of acceleration or intent to accelerate, and all other notices, and consents to: (a) any extension or postponement of the time for payment of this Note; (b) any renewal of this Note or indulgences granted by the Bank with respect to enforcement of its terms; (c) any substitution, exchange or release of all or any part of the Collateral; (d) the addition, substitution or release of any maker or guarantor; and (e) the election by the Bank not to seek enforcement against any person or entity which may be liable for payment of this Note. The undersigned waives all defenses or right to discharge available under Section 3-605 of the Michigan Uniform Commercial Code and waives all other suretyship defenses or right to discharge.

Information Sharing. The Bank may provide, without any limitation whatsoever, any information or knowledge the Bank may have about the undersigned or any matter relating to this Note and any related documents to the Bank's parent, subsidiaries and affiliates and their successors, or to any one or more purchasers or potential purchasers of this Note or any related documents, and the undersigned waives any right to privacy the undersigned may have with respect to such matters. The undersigned agree that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights or obligations under this Note to one or more purchasers whether or not related to the Bank.

Miscellaneous. "Guarantor" as used herein means any person or entity endorsing or guaranteeing, or granting security for this Note in any manner. The obligations of the undersigned and all guarantors under this Note shall be joint and several; and each of the undersigned and each guarantor shall be individually liable for all amounts due under this Note. All persons signing this Note on behalf of a corporation, partnership, trust or other entity warrants to the Bank that they are duly and properly authorized to execute this Note and that the proceeds will be used by the entity for business purposes. Nothing in this Note shall waive or restrict any right of the Bank granted in any other document or by law. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver. No single or partial exercise by the Bank of any right or remedy shall preclude any other future exercise of that right or remedy or the exercise of any other right or remedy. The terms and conditions of this Note may not be amended, waived or modified except in a writing

signed by an officer of the Bank and an officer of the undersigned expressly stating that the writing constitutes an amendment, waiver, or modification of the terms of this Note. A waiver on one occasion shall not be construed as a waiver of that term on any future occasion. Acceptance of partial or late payments owing on this Note at any time shall not be deemed a waiver of any default. All rights, remedies and security granted to the Bank herein are cumulative and in addition to other rights, remedies or security which may be granted elsewhere or by law. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law. If any provision hereof shall be declared invalid or illegal it shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Note. Any reference to the Bank shall include any holder of this Note and any holder shall succeed to the Bank's rights. This Note shall bind the respective heirs, personal representatives, successors and assigns of the undersigned and all guarantors. The undersigned and all guarantors agree that any action against them for enforcement of this Note may be brought by the Bank in any federal, municipal or state court in Michigan, having jurisdiction of the subject matter; they consent to personal jurisdiction over them by such courts; and they consent to venue in such courts. This Note has been executed in Michigan and is governed by Michigan law. The undersigned and all guarantors agree to reimburse the Bank for all expenses incurred by the Bank in its investigation, processing, and preparation for closing of the loan evidenced by this Note including reasonable attorneys' fees and costs, title insurance fees, survey fees, appraisal fees, and other out-of-pocket expenses.

WAIVER OF SPECIAL DAMAGES. THE UNDERSIGNED WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

WAIVER OF JURY TRIAL. THE UNDERSIGNED AND THE BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE UNDERSIGNED AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE, ANY OF THE LIABILITIES, OR ANY ALLEGED ACT OR NEGLIGENCE OF THE BANK. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

Borrower's Address:

18302 Highwoods Preserve Parkway
Suite 100
Tampa, Florida 33647

Borrower:

SEGMENTZ, INC.

By: _____

Andrew J. Norstrud
Its: Chief Financial Officer

KZLIB:468481.3\069089-00167
11/17/04

SECURITY AGREEMENT

Date: November 17, 2004

Bank's name:

Fifth Third Bank (the "Bank")

Bank's mailing address:

830 Pleasant Street
RSJM27
St. Joseph, Michigan 49085

Debtor's exact legal name:

Segmentz, Inc. ("Debtor")

Debtor's mailing address:

18302 Highwoods Preserve Parkway, Suite 100
Tampa, Florida 33647

Debtor is an (check one):

- Individual
 Organization

IF DEBTOR IS AN ORGANIZATION:

Debtor is a (check one):

- Corporation
 Limited Liability Company
 Limited Partnership
 Partnership
 Trust
 Other _____

Debtor's state (or country) of organization is: Delaware

Debtor's sole place of business, or if Debtor has more than one place of business, Debtor's chief executive office is located in the state (or country) of: Florida

Debtor's organizational identification number is (leave blank if Debtor does not have a number):

IF DEBTOR IS AN INDIVIDUAL:

Debtor's principal residence is located in the state of:

COMPLETE FOR ALL DEBTORS:

All States (or countries) in which any of the Debtor's equipment, inventory or other assets may be located (other than those listed above):

Debtor's federal employer tax identification number (or social security number) is:

Debtor agrees with the Bank as follows:

1. Liabilities Secured. The obligations which are secured by this Agreement are referred to collectively as the "Liabilities" and are as follows: Payment of all loans, advances and/or commitments made by the Bank to Debtor, together with interest thereon and other sums owing pursuant thereto; payment and performance of the provisions of this Security Agreement; payment and performance of all notes, undertakings, obligations, debts, liabilities, agreements, applications or agreements for issuance of letters of credit, assignments, guarantees, or promises

of or by Debtor to or with the Bank, whether due, existing or arising, now or in the future, absolute or contingent, direct or indirect, however arising or acquired by the Bank, and including obligations originally owing by Debtor to a third party and assigned by such third party to the Bank; payment and performance of all existing and future obligations (including the kinds of obligations described above) to the Bank of any persons or entities for which Debtor is or becomes an accommodation party, surety or guarantor or whose obligations this Security Agreement is given to secure; and all extensions, renewals and modifications of the foregoing. If more than one person appears as Debtor above, the Liabilities shall include, without limitation, all of the foregoing joint, several and individual obligations of each such person to the Bank. Debtor agrees that if the proceeds of any of the Liabilities created in the future are utilized to pay and/or renew any of the Liabilities existing at this time, such future Liabilities shall be presumed to be renewals or extensions of the existing Liabilities.

2. Collateral. As security for the "Liabilities" as defined in Section 1 above, Debtor hereby assigns and grants to the Bank a continuing security interest and lien in the following property owned by Debtor or in which Debtor has rights, whether now or hereafter existing or acquired by Debtor and wherever located: all accounts; all payment intangibles; all books, records and data related to the foregoing; and all proceeds of the foregoing. (hereinafter referred to as the "Collateral")

3. Special Representations, Warranties and Agreements. Debtor represents, warrants and agrees that at all times this Agreement is in effect:

3.1 Information Correct. The information regarding Debtor set forth on the first page of this Agreement is true and correct and Debtor will immediately notify the Bank in writing of any change in such information and will not change its state of organization, not change its legal name and not merge or consolidate with any other entity without providing the Bank with thirty (30) days prior written notice of such event.

3.2 Assumed Names. Any business conducted by Debtor under any assumed name shall be subject to this Agreement and any assets now or hereafter owned by Debtor under any assumed name shall be subject to the security interest granted by this Agreement.

3.3 Additional Information. Debtor shall furnish to the Bank the following:

A. Within ten (10) days after and as of the end of each month (and at such other time or times as the Bank may request), a schedule identifying each of Debtor's accounts receivable and further identifying each Eligible Accounts Receivable (as defined in Section 7.1). Debtor will from time to time deliver to the Bank at the Bank's request additional schedules, certificates and information as the Bank may require respecting the Collateral, the terms or amounts received by Debtor in full or partial payment of any of the Collateral, and any goods (the sale or lease of which by Debtor shall have given rise to any of the Collateral) possession of which has been obtained by Debtor. Any such schedule, certificate or other information shall be executed by a duly authorized officer of Debtor and shall be in such form and detail as the Bank may specify. Whenever Debtor provides information to the Bank regarding Debtor's accounts

receivable and/or inventory Debtor shall be deemed to have warranted that, except as otherwise indicated, each account receivable referred to in such information is an Eligible Accounts Receivable and all inventory referred to in such information is Eligible Inventory (as defined in Section 7.2). Any schedule identifying any account receivable shall be accompanied (if the Bank so requests) by a true and correct copy of the invoice evidencing such account receivable and by evidence of shipment or performance by Debtor.

B. Promptly upon request by the Bank, any additional financial or other information regarding Debtor or the Collateral as the Bank may request. Any information shall be executed by a duly authorized officer of Debtor and shall be in such form and detail as the Bank may specify.

3.4 Financing Statements. Debtor authorizes the Bank to file a financing statement describing the Collateral and ratifies any financing statement previously filed by the Bank regarding the Collateral.

3.5 Possession by Third Party. If any of the Collateral is in the possession of a third party, Debtor will join with the Bank in notifying the third party of the Bank's interest and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of the Bank

3.6 Chattel Paper. Debtor will not create any chattel paper as proceeds of the Collateral without placing a legend on the chattel paper acceptable to the Bank indicating that the Bank has a security interest in the chattel paper.

4. Basic Representations, Warranties and Agreements. Debtor represents, warrants and agrees that at all times this Agreement is in effect:

4.1 Use of Collateral. The Collateral shall be used primarily for business purposes.

4.2 Section 4.2 has been intentionally omitted.

4.3 Transfer of Collateral. Debtor shall not sell, assign, rent, lease, lend, license or otherwise dispose of any interest in the Collateral without the prior written consent of the Bank.

4.4 Ownership; No Liens. Debtor owns and shall preserve the Collateral (and, as to after-acquired Collateral, shall own and preserve the same) free and clear of all taxes, liens, claims and security interests other than liens in favor of the Bank and the liens evidenced by the UCC Financing Statements described in Section 17 of the Addendum to this Agreement. Debtor shall defend the Collateral against all claims of anyone claiming an interest therein or tax or lien thereon.

4.5 Section 4.5 has been intentionally omitted.

4.6 Financing Statements, Titles, Etc. Immediately upon request of the Bank, at any time, Debtor shall execute and deliver to the Bank all financing statements, security agreements and other instruments and documents which the Bank may request for the purpose of implementing or confirming the terms of this Agreement, all of which shall be in a form satisfactory to the Bank. Debtor hereby irrevocably appoints the Bank, or any of its officers, as its true and lawful attorney, with full power of substitution, in the name of Debtor, to execute and file, at any time, any financing statement, continuation statement or amendments thereto, which the Bank deems necessary or convenient to protect, perfect or maintain the security interests and liens granted to the Bank.

4.7 Identification of Collateral. Upon demand of the Bank, Debtor shall mark any or all Collateral in a manner sufficient to identify the security interest of the Bank.

4.8 Collateral and Business Records. All records and information maintained by Debtor with respect to the Collateral and its account debtors and all other information set forth in any writing now or hereafter furnished to the Bank by Debtor shall be true and correct as of the date furnished. All financial statements and data furnished to the Bank shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the financial condition of Debtor as of the dates, and the results of its operations for the periods, for which the same are furnished to the Bank. Debtor shall maintain accurate and complete records of the Collateral. All records of Debtor relating to the Collateral, its account debtors and any of the Debtor's financial affairs shall be maintained by Debtor at its chief executive office and shall not be removed therefrom without the prior written approval of the Bank.

4.9 Section 4.9 has been intentionally omitted.

4.10 Compliance With Law. Debtor shall not use the Collateral for any unlawful purpose nor in violation of any statute or ordinance.

4.11 Taxes and Charges. Debtor shall promptly pay when due all taxes, assessments, fees, licenses and charges upon or necessary for the use or operation of the Collateral.

4.12 Insurance. All Collateral shall be insured from loss by fire, theft and other casualties (including extended coverage) in an amount, in a manner and with companies satisfactory to the Bank. Such insurance shall be payable to Debtor and the Bank as their interests may appear. Debtor shall provide proof of insurance satisfactory to the Bank upon request. All insurance policies shall provide that the Bank must receive at least thirty (30) days prior written notice before any cancellation, non-renewal or reduction in coverage. Debtor hereby assigns to the Bank, as additional security for payment of the Liabilities, all rights of Debtor under or with respect to, all policies of insurance covering the Collateral, and all money which becomes due under such policies. Debtor hereby directs the issuer of any such policy to pay such money directly to the Bank. Both before and after the occurrence of an Event of Default, the Bank may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive money due under such insurance policies, endorse checks and other instruments representing payment of such money, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

4.13 Inspection. The Bank may take any actions reasonably necessary or convenient to ascertain the existence, condition and value of the Collateral. Debtor shall permit representatives of the Bank to visit and inspect any of the properties and facilities of Debtor and examine, copy (by electronic or other means) and abstract any of the books and accounting and Collateral records of Debtor at any time and as often as may be desired by the Bank. The cost of all such inspections shall be immediately paid by Debtor to the Bank, shall be added to the Liabilities secured hereby and shall bear interest at the highest rate specified in any of the Liabilities secured hereby from the date incurred by the Bank until paid.

4.14 Actions by the Bank; Reimbursement. The Bank may immediately take any action or pay any sum required to be done or paid by Debtor under this Agreement if the Bank, in its discretion, determines that it is necessary or convenient to do so in order to protect, preserve or maintain the Collateral or the rights of the Bank therein. The amount of such payment or the cost of doing such act shall be immediately paid by Debtor to the Bank, shall be added to the Liabilities secured hereby, and shall bear interest at the highest rate specified in any of the Liabilities secured hereby from the date incurred by the Bank until paid. No act done or amount paid by the Bank under this Section shall be deemed to constitute a waiver of any default of Debtor.

4.15 Section 4.15 has been intentionally omitted.

4.16 Debtor's Rights to Deal With the Collateral. Except under the circumstances set forth in Section 4.17, the Collateral shall be on a non-remittance basis, which means the following provisions apply:

A. In the ordinary course of business, Debtor may grant to any party obligated on any account, instrument, chattel paper or other item of Collateral, any rebate, refund or adjustment to which such party may be lawfully entitled, may accept, in connection therewith, the return of goods, the sale or lease of which gave rise to any account, instrument, chattel paper or other item of Collateral, and may dispose of returned goods.

B. At its own expense, Debtor may collect, when due, all amounts due Debtor under any account, instrument, chattel paper or other item of Collateral, and use the amounts collected in the ordinary course of business.

4.17 The Bank's Right to Collect Amounts Owning to Debtor. The Bank may, in its good faith discretion, at any time after occurrence of an Event of Default, notify Debtor that the Collateral is on a remittance basis which means the following provisions apply:

A. Immediately upon receipt, Debtor shall deliver to the Bank in the form received, all cash, checks, drafts, credit card charges, and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by the Bank) which are received by Debtor at any time, in full or partial payment of any sale, lease, collection or other disposition of

any of the Collateral or for services rendered. Debtor shall, immediately upon receipt deliver to the Bank (properly endorsed as directed by the Bank) any document of title, account, promissory note, trade acceptance, chattel paper, instrument, or other evidence of an obligation to Debtor given as payment for any of the Collateral sold, leased or disposed of by Debtor or for services rendered. Any such items which are received by Debtor will not be commingled with any of its other funds or property, but will be held in trust for the Bank separate and apart from Debtor's own funds or property until delivery is made to the Bank.

B. All amounts which are delivered by Debtor to the Bank which represent partial or full payment for any of the Collateral shall, at the Bank's option: (1) be applied to payment of the Liabilities secured hereby, whether then due or not, in any order which the Bank desires; or (2) be deposited to the credit of a non-interest bearing deposit account in the name of the Bank, as security for payment of the Liabilities. Debtor shall have no right to withdraw any funds deposited in such account. Upon request of Debtor (but not more than once each week) or as often as the Bank desires, the Bank may apply all or any part of the collected funds in such account, toward payment of the Liabilities, whether or not then due, in any order which the Bank desires. The Bank may, from time to time, in its discretion, release some or all of the balance in such account to Debtor.

C. If requested by the Bank, Debtor shall direct all account debtors or other parties obligated on any of the Collateral to make payments due and to become due thereon to a United States Post Office Box or other mailing address designated by the Bank in the name of Debtor at a location designated by the Bank. The post office box shall be under the exclusive custody and control of the Bank.

D. The Bank may, in its own name, or in the name of Debtor, notify any or all of the parties obligated on any of the Collateral to make all payments due and to become due thereon directly to the Bank, and thereupon Debtor's authority to collect any accounts, general intangibles, chattel paper, instruments or other Collateral in the ordinary course of business shall be terminated.

E. The Bank shall have the right, in its own name or in the name of Debtor, to enforce Debtor's rights against all account debtors and obligors and collect the accounts, general intangibles, instruments, chattel paper and other items of Collateral (by legal proceedings or otherwise); to take control in any manner of any cash or non-cash payments or proceeds thereof and any returned or repossessed goods relating thereto; to demand, receive, receipt for, settle, compromise, sell, assign, extend or renew any and all amounts due or to become due to Debtor on any item of Collateral upon such terms and in such amounts and at such times as the Bank deems advisable; and to discharge and release any such debt in the name of Debtor.

F. Debtor hereby irrevocably appoints the Bank, or any of its officers, as its true and lawful attorney, with full power of substitution, in the name of Debtor, to: (i) establish and maintain the United States Post Office Box referred to above; (ii) open and dispose of all mail, howsoever received by the Bank, representing any payment on, or other proceeds of, any of the Collateral; (iii) endorse and collect any check or other item received by the Bank representing payment on or other proceeds of the Collateral; and (iv) take all other actions necessary or convenient to carry out the provisions of this Section 4.17.

G. For the purpose of calculating interest on the Liabilities, the Bank may impose a standard one to three business day delay in crediting payments received by the Bank on the Collateral against the Liabilities to allow time for collection (or the Bank may, at the Bank's option, make such credits when such payments are actually collected by the Bank in immediately available funds). For the purpose of calculating the principal amounts available for borrowing by Debtor under any borrowing arrangements with the Bank, the Bank may, at the Bank's option, use a method different from that used for the purpose of calculating interest, and such methods may include either of the options described above, or the Bank may, at the Bank's option and solely for the purposes described in this sentence, elect to credit payments received by the Bank on the Collateral on the date of receipt.

4.18 Indemnity. In addition to payments of the Liabilities, Debtor agrees to indemnify, pay and hold harmless the Bank and any holder of any of the Liabilities, and the officers, directors, employees, agents and affiliates of the Bank and such holders (collectively called the "Indemnitees") from and against any and all obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto), which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement, the Liabilities, the Bank's relationship with Debtor, the use or intended use of the proceeds of any of the Liabilities or any environmental matter (the "Indemnified Claims"); provided that the Debtor shall have no obligation to an Indemnitee hereunder with respect to Indemnified Claims if it has been determined by a final decision (after all appeals and the expiration of time to appeal) by a court of competent jurisdiction that such Indemnified Claims arose primarily from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Debtor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them.

5. Default and Rights of the Bank

5.1 Events of Default. Occurrence of any of the following events shall constitute an "Event of Default" under this Agreement:

A. Non-payment when due, by default, demand, maturity, or otherwise, of any of the Liabilities;

B. Failure of Debtor to comply with any term of this Agreement, any of the documents evidencing the Liabilities, or any agreement between Debtor and the Bank;

C. The Bank discovers that any warranty or representation made to it by Debtor was or is false;

D. Debtor becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against Debtor under any bankruptcy, insolvency or similar laws or any judgment is entered or any writ of attachment, garnishment or execution or tax lien is issued or levied against Debtor, any of its property or the Collateral;

E. Any indebtedness of Debtor becomes due by reason of default and/or acceleration of the maturity thereof;

F. Death or incompetency of Debtor, if a natural person; dissolution or death of a partner of Debtor, if a partnership; dissolution, merger, consolidation or a material change in the ownership of the voting stock of Debtor, if a corporation; dissolution, merger, or change in the members of Debtor, if a limited liability company;

G. Cessation of the normal business operations of Debtor;

H. Actual, impending, or reasonably anticipated decline in the value of the Collateral or the Bank deems the margin of the Collateral securing the Liabilities to be insufficient;

I. If the control or management of Debtor changes in a manner which adversely affects, in the sole judgment of the Bank, the ability of Debtor to carry on its business as previously conducted;

J. Failure of Debtor to pay, when due, any federal, state, or local tax, assessment, withheld tax, or similar obligation;

K. Any guaranty of, or document granting security for, any of the Liabilities shall, at any time, cease to be in full force and effect or be declared null or void, or any party to such guaranty or security document (other than the Bank) denies that it has any further liability thereunder (by giving notice to such effect or otherwise) or contests the validity or enforceability thereof; or

L. The Bank deems itself insecure, in good faith, believing that the prospect of payment of the Liabilities is impaired or in good faith fearing deterioration, removal or waste of any of the Collateral.

5.2 Bank's Rights Upon Default. Upon occurrence of an Event of Default, all of the Liabilities (regardless of any contrary terms thereof) shall, at the option of the Bank, be immediately due and payable without demand or notice, and the Bank may exercise any of the rights and remedies of a creditor under the Uniform Commercial Code (the "UCC"), any other law, or any Court Rule and/or take any one or more of the actions specified below (which rights and remedies are cumulative) without notice (except as required by law):

A. Exercise any right or action set forth herein or in any of the documents evidencing the Liabilities, including but not limited to, the rights and actions set forth in Section 4.17 above.

B. Institute legal proceedings to: foreclose the lien and security interest described herein; recover judgment on the Liabilities; and/or sell any or all of the Collateral.

C. Take possession of any Collateral if not already in its possession without demand and without legal process. Upon the Bank's demand, Debtor will assemble and make the Collateral available to the Bank as it directs. Debtor grants to the Bank the right, for this purpose, to enter into or on any premises where the Collateral may be located.

D. Sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC, whether or not the Bank is in possession of the Collateral.

5.3 Foreclosure Procedures. The Bank shall give Debtor such notice of any private or public sale as may be required by the UCC. The Bank has no obligation to clean up or otherwise prepare the Collateral for sale. The Bank has no obligation to attempt to satisfy the Liabilities by collecting them from any other person liable for them and The Bank may release, modify or waive any collateral provided by any other person to secure any of the Liabilities, all without affecting The Bank's rights against Debtor. Debtor waives any right it may have to require The Bank to pursue any third person for any of the Liabilities. The Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. The Bank may sell the Collateral without giving any warranties as to the Collateral. The Bank may specifically disclaim any warranties of title or the like. Any lack or disclaimer of warranties will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. If the Bank sells any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by the Bank, and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, The Bank may resell the Collateral and Debtor shall be credited with the proceeds of the sale. In the event the Bank purchases any of the Collateral being sold, the Bank may pay for the Collateral by crediting some or all of the Liabilities of the Debtor. The Bank has no obligation to marshal any assets in favor of Debtor, or against or in payment of any of the Liabilities or any obligation owed to the Bank by any other person.

5.4 Proceeds of Collateral. Proceeds of any collection or disposition by the Bank of any of the Collateral may be applied by the Bank first to the reasonable expenses of retaking, conserving, collecting (by suit or otherwise) or disposing of (by sale or otherwise) the Collateral, including reasonable attorneys' fees and legal expenses incurred, and then to the satisfaction of all the Liabilities secured hereby in such order of application as the Bank elects. After such application and any further application required by law, the Bank will account to Debtor for any surplus and Debtor and every guarantor of Debtor shall remain liable to the Bank for any deficiency.

6. Freedom to Deal With Collateral and Liabilities. Debtor agrees that the Bank may, without liability to Debtor: release any security for the Liabilities which has been provided by any other obligor before or after maturity of any of the Liabilities; enforce its rights as to any of the Collateral covered by this Agreement without being obliged to first do so as to any other security, whether owned by Debtor or any other person; add, substitute or release any maker or guarantor of the Liabilities; and/or extend, renew, modify, or make any accommodations with regard to the Liabilities. Debtor further agrees that the Bank has no duty to preserve its or Debtor's rights against prior parties with respect to any account, instrument or chattel paper in the Bank's possession.

7. Definitions. In addition to the terms elsewhere defined herein, the following definitions shall apply to terms used herein:

7.1 Eligible Accounts Receivable. The term "Eligible Accounts Receivable" shall mean an account arising in the ordinary course of Debtor's business which meets each of the following requirements:

A. It arises from the sale or lease of goods and such goods have been shipped or delivered to an account debtor under such account receivable; or it arises from services rendered and such services have been performed.

B. It is a valid, legally enforceable, unconditional obligation of the account debtor thereunder, and is not subject to any off-set, counterclaim, right to return goods or demand for repurchase by Debtor, or other defense to payment on the part of such account debtor, or to any claim on the part of such account debtor denying liability in whole or in part.

C. It is subject to the first priority security interest of the Bank and is not subject to any other lien or security interest whatsoever.

D. It is evidenced by an invoice, dated not later than 14 days after the date of shipment or performance rendered to such account debtor or some other evidence of billing acceptable to the Bank and is not evidenced by any instrument or chattel paper.

E. It is not owing by any account debtor who is affiliated with Debtor or whose obligations the Bank in its sole discretion, shall have determined are not deemed to constitute eligible accounts receivable, because of concerns regarding ability to pay or otherwise.

F. it is not owing more than ninety (90) days after the date of the original invoice or other writing evidencing such Account;

G. it is not owing by an account debtor who has failed to pay ten percent (10%) or more of the aggregate amount of its Accounts owing to Debtor within ninety (90) days after the date of the respective invoices or other writings evidencing such Accounts.

H. It is owing by an account debtor which is organized under the laws of the United States or any state thereof and which has its principal place of business in the United States.

I. If it arises from a contract which provides for "progress billings," the contract has been performed in full by Debtor.

J. It is not owing by the United States of America, any state or municipality, or any department, agency, authority, or instrumentality thereof.

K. It is not an account billed in advance, payable on delivery, for consigned goods, for guaranteed sales, for unbilled sales, payable at a future date in accordance with its terms, subject to a retainage or holdback by the account debtor or insured by a surety company.

An account which is at any time an Eligible Accounts Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Accounts Receivable.

7.2 Terms Defined by Statute. All other terms, not expressly defined herein, shall be defined and construed in accordance with the Uniform Commercial Code as in force in the State of Michigan from time to time; provided that with respect to any term used herein that is defined in either Article 9 of the Michigan Uniform Commercial Code as in force at the time this Agreement was signed, or Article 9 as in force at any relevant time after the date of this Agreement, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more-encompassing of the two definitions. Debtor specifically agrees that the term "Accounts" shall, to the extent permitted by the Michigan Uniform Commercial Code now or after the date hereof, include, but not be limited to, health-care-insurance receivables..

8. Expenses/Attorneys' Fees. All expenses incurred by the Bank in perfecting its security interest in any Collateral or insuring, protecting, maintaining, enforcing, selling, or disposing of the Collateral and all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Bank in seeking to collect or enforce any rights to or under the Collateral and, in case of default, incurred by the Bank in seeking to collect or enforce the Liabilities secured hereby (through formal or informal collection actions, workout or otherwise) and enforce its rights hereunder (including participating or taking action in any bankruptcy or other insolvency proceeding of Debtor) or for any other purpose related to this Agreement or the Liabilities shall be immediately reimbursed to the Bank by Debtor and shall be part of the Liabilities secured by this Agreement.

9. Miscellaneous. The paragraph headings used in this Agreement are for convenience only and shall not be used in the interpretation hereof. The obligations of each of the undersigned under this Agreement, if there is more than one Debtor, shall be joint and several; each of the undersigned shall be individually liable for performance of and for all amounts due under this Agreement. All persons signing this Agreement on behalf of a corporation, partnership, trust or other entity warrant to the Bank that they are duly and properly authorized to execute this Agreement. Nothing in this Agreement shall waive or restrict any right of the Bank granted in any other document or by law. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver. No single or partial exercise by the Bank of any right or remedy shall preclude any other future exercise of that right or remedy or the exercise of any other right or remedy. No waiver or indulgence by the Bank of any default shall be effective unless in writing and signed by the Bank, nor shall a waiver on one occasion be construed as a bar to or waiver of that right on any future occasion. Acceptance of partial or late payments owing on any of the Liabilities at any time shall not be deemed a waiver of any default. All rights, remedies and security granted to the Bank herein are cumulative and in addition to other rights, remedies or security which may be granted elsewhere or by law. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. If any provision hereof shall be declared invalid or illegal it shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Agreement. Notice from the Bank to Debtor, if mailed, shall be deemed given when mailed to Debtor, postage prepaid, at Debtor's address set forth at the beginning of this Agreement or at any other address of Debtor in the records of the Bank. The Bank may assign (or sell participations) in the Liabilities and any reference to the Bank shall include any holder of the Liabilities and any holder shall succeed to the Bank's rights under this Agreement. This Agreement shall bind the heirs, personal representatives, successors and assigns of Debtor and all persons who become bound as a debtor to this Agreement. Debtor agrees that any action against Debtor for enforcement of this Agreement may be brought by the Bank in any municipal or State court in Michigan having jurisdiction of the subject matter; Debtor consents to personal jurisdiction over it by such courts; and consents to venue in such courts. This Agreement has been executed in Michigan, and is governed by Michigan law, except to the extent that the Michigan Uniform Commercial Code provides for the application of the law of another state. If any payment applied by the Bank to the Liabilities is subsequently set aside, recovered, rescinded or otherwise required to be returned or disgorged by the Bank for any reason (pursuant to bankruptcy proceedings, fraudulent conveyance statutes, or otherwise), the Liabilities to which the payment was applied shall for the purposes of this Agreement be deemed to have continued in existence, notwithstanding the application, and shall be secured by the Collateral as fully as if the Bank had not received and applied the payment.

10. Termination. Either party may terminate this Agreement at any time on written notice to the other; provided, however, that such termination shall in no way affect, and this Agreement shall remain fully operative as to, any transactions entered into or rights or security interests granted or Liabilities secured hereby which are incurred prior to receipt of such notice by the party to whom given. After termination, the Bank's security interest in the Collateral and

all rights of the Bank and duties of Debtor described herein shall continue in full force and effect until all of the Liabilities secured hereby are paid in full and all credit accommodations provided by the Bank to Debtor are terminated.

11. WAIVER OF JURY TRIAL. DEBTOR AND THE BANK EACH HEREBY KNOWINGLY AND VOLUNTARILY, WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES BETWEEN THEM ARISING OUT OF THIS SECURITY AGREEMENT, ANY OF THE LIABILITIES, OR ANY ALLEGED ACT OR NEGLIGENCE OF THE BANK.

Debtor:

SEGMENTZ, INC.

By: _____

Andrew J. Norstrud

Its: Chief Financial Officer

KZLIB:468487.3\069089-00167

11/17/04

**LOAN AGREEMENT
ADDENDUM TO SECURITY AGREEMENT
DATED NOVEMBER 17, 2004, FROM
SEGMENTZ, INC. (“Debtor”)
TO FIFTH THIRD BANK
(the “Bank”)**

Incorporation and Conflict

The provisions of this Addendum are hereby made a part of the Security Agreement described above. In the event of a conflict between the terms of this Addendum and the terms of such Security Agreement, the terms of this Addendum shall control. If the date of signing of this Addendum is later than the date of signing of any other Addendum to such Security Agreement, this Addendum shall supersede and replace such prior Addendum.

Additional Provisions

12. Definitions. The following definitions are used herein:

“Affiliate” means, as to Debtor, (a) any person or entity which, directly or indirectly, is in control of, is controlled by or is under common control with, Debtor, or (b) any person who is a director, officer or employee (i) of Debtor or (ii) of any person described in the preceding clause (a).

“Current Maturities of Long Term Debt” means that portion of the principal amount of Long Term Debt which must be repaid during any period of determination thereof.

“Debt” means the total liabilities of Debtor as defined in accordance with generally accepted accounting principles, consistently applied.

“Debt Service Coverage Ratio” means the ratio of (a) the sum of Debtor’s net income, for any period of determination thereof, before taxes, depreciation, amortization and interest expense, less distributions, dividends and capital expenditures and other extraordinary items to (b) the sum of the undersigned’s interest expense, Current Maturities of Long Term Debt and capital lease obligations for such period of determination.

“Long Term Debt” means indebtedness of Debtor which either by its terms is not payable in full within one year from the date incurred, or the repayment of which may, at the option of the obligor, be extended for a period of more than one year from the date incurred.

“Rate Management Agreement” means any agreement, device or arrangement providing for payments which are related to fluctuations of interest rates, exchange rates, forward rates, or equity prices, including, but not limited to, dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar

protection agreements, forward rate currency or interest rate options, puts and warrants, and any agreement pertaining to equity derivative transactions (e.g., equity or equity index swaps, options, caps, floors, collars and forwards), including without limitation any ISDA Master Agreement between the undersigned and the Bank or any affiliate of Fifth Third Bancorp, and any schedules, confirmations and documents and other confirming evidence between the parties confirming transactions thereunder, all whether now existing or hereafter arising, and in each case as amended, modified or supplemented from time to time.

“Rate Management Obligations” means any and all obligations of the undersigned to the Bank or any affiliate of Fifth Third Bancorp, whether absolute, contingent or otherwise and howsoever and whensoever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefore), under or in connection with (i) any and all Rate Management Agreements, and (ii) (any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Agreement. The term “Liabilities” as defined in section 1 above shall include all Rate Management Obligations.

“Tangible Net Worth” means Debtor’s Stockholders’ Equity, less the sum of: (a) goodwill, including any amounts, however designated on a balance sheet of Debtor, representing the excess of the purchase price paid for assets or stock acquired over the value assigned thereto on the books of Debtor; (b) patents, trademarks, trade names, and copyrights; (c) treasury stock; (d) all receivables from and loans, advances and similar transfers to any Affiliate; and (e) other intangible assets.

13. Financial Statements. Until the Liabilities are paid in full, Debtor covenants and agrees that it will furnish to the Bank:

13.1 Within one hundred twenty (120) days after the end of each fiscal year, a balance sheet and income statement, reconciliation of capital account and source and application of funds as at the end of and for the fiscal year just closed setting forth the corresponding figures of the previous fiscal year in comparative form, all in reasonable detail and certified by its Chief Financial Officer to be true, accurate and complete, together with the Company’s Form 10-KSB filed with the United States Securities and Exchange Commission for such fiscal year. The financial statements shall be prepared on an audit basis by independent certified public accountants acceptable to the Bank. Debtor shall notify such independent certified public accountants, in writing, that it is “a primary intent” of Debtor to have the Bank rely upon the “public accounting services” provided by such independent certified public accountant to Debtor.

13.2 Within sixty (60) days after the end of each fiscal quarter, a balance sheet and income statement, reconciliation of capital account and source and application of funds as at the end of and for that portion of the fiscal year ending with such quarter setting forth the corresponding figures of the previous fiscal year in comparative form, all in reasonable detail and certified by its Chief Financial Officer to be true, accurate and complete, together with the Company’s Form 10-QSB filed with the United States Securities and Exchange Commission for such fiscal quarter. The financial statements shall be prepared on a review basis by an independent certified public accountant acceptable to the Bank.

13.3 Within fifteen (15) days after and as of the end of each month, a Borrowing Base Certificate prepared by the Chief Financial Officer of the Debtor in form and detail satisfactory to the Bank representing and warranting as of such month end the amount of all Eligible Accounts Receivable of Debtor, the calculation of the Borrowing Base and certifying that no Event of Default then exists, together with a report as of such month end in form and detail satisfactory to the Bank setting forth all of Debtor's and Express 1, Inc's accounts receivable as of the end of such month aged from the date of invoice certified as true and correct by the Chief Financial Officer of Debtor.

13.4 Promptly, all other information, books and records that the Bank may reasonably request.

13.5 With each of the statements referred to in 13.1 and 13.2 above, a certificate signed by the principal financial officer for Debtor, (i) stating he is familiar with all document relating to the Bank and that no Event of Default specified herein, nor any event which upon notice or lapse of time, or both would constitute such an Event of Default, has occurred, or if any such condition or event existed or exists, specifying it and describing what action Debtor has taken or proposes to take with respect thereto, and (ii) setting forth, in summary form, figures showing Debtor's compliance with the financial covenants contained herein;

13.6 Immediately upon any officer of Debtor obtaining knowledge of any condition or event which constitutes or, after notice or lapse of time or both, would constitute an Event of Default, a certificate of such person specifying the nature and period of the existence thereof, and what action the undersigned has taken or is taken or proposes to take in respect thereof.

All of the statements referred to in 13.1 and 13.2 above shall be in conformance with generally accepted accounting principles, consistently applied.

If at any time the undersigned has any additional subsidiaries which have financial statements that could be consolidated with those of the undersigned under generally accepted accounting principles, the financial statements required by subsections 13.1 and 13.2 above shall be the financial statements of the undersigned and all such subsidiaries prepared on a consolidated and consolidating basis.

14. Borrowing Base. The unpaid balance of the \$3,500,000 Revolving Note of even date, and all extensions, renewals and replacements thereof, including replacements with a different principal amount (the "Base Note"), shall not at any time exceed the sum of the following amounts, which sum is hereinafter referred to as the "Borrowing Base": 80% of Debtor's "Eligible Accounts Receivable" as defined in section 7.1 above plus 80% of the "Eligible Accounts Receivable" as defined in section 7.1 of the Security Agreement of even date from Express 1, Inc. to the Bank.

Notwithstanding any conflicting provisions contained in the Base Note, if at any time the unpaid balance of the Base Note exceeds the Borrowing Base, Debtor shall immediately pay to the Bank the difference, including all accumulated interest.

15. Affirmative Covenants. Until the Liabilities are paid in full, Debtor covenants and agrees that it will:

15.1 Maintain the ratio of Debt to Tangible Net Worth of not more than 1.00 to 1.00 at all times.

15.2 On the last day of each fiscal quarter hereafter, maintain a Debt Service Coverage Ratio for the twelve (12) calendar months ending on such date of not less than 1.25 to 1.00.

15.3 Comply with all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all environmental laws, ordinances, rules and regulations, all applicable federal, state and local laws, ordinances, rules and regulations concerning wage payments, minimum wages, overtime laws and payment of withholding taxes, and deliver to the Bank such reports and information in form satisfactory to the Bank as the Bank may request from time to time to establish compliance with such laws.

15.4 On or before February 1, 2005: (i) cause all of the assets of Express 1, Inc. to be transferred to Debtor and cause Express 1, Inc. to cease all business operations; and (ii) cause all of the subsidiaries of Debtor (except for Express 1, Inc. and Dasher Express, Inc.) to be merged into Debtor or dissolved and cease existence.

16. Negative Covenants. Until the Liabilities are paid in full, Debtor covenants and agrees that it will not:

16.1 Pay, create, incur, assume or have outstanding any indebtedness for borrowed money except the Liabilities.

16.2 Merge with or into, or enter into a share exchange, with any other corporation or entity, nor sell, lease, transfer or otherwise dispose of all or any substantial part of its property, assets or business (other than sales of inventory made in the ordinary course of business).

16.3 Enter into an agreement providing for the leasing by it of property, which has been or is to be sold or transferred by it.

16.4 Pay or declare any dividend, or make any other distribution on account of any shares of any class of its stock, or redeem, purchase, or otherwise acquire directly or indirectly, any shares of any class of its capital stock, except that Debtor may repurchase not to exceed 80,000 shares of its stock at a maximum purchase price of not to exceed \$1.55 per share (provided such repurchase does not cause an Event of Default under either section 15.1 or section 15.2 above).

16.5 Make any loans or advances to, or investments in, other persons, corporations or entities (including, but not limited to, any Affiliate of Debtor), except investments (i) in bank certificates of deposit and savings accounts; (ii) in obligations of the United States; (iii) in prime commercial paper maturing within ninety (90) days of the date of acquisition by Debtor; and (iv) made in accordance with Debtor's Investment Policy adopted by written consent of Debtor's directors as of May 19, 2004 in the form presented to the Bank.

16.6 Guarantee or become a surety or otherwise contingently liable for any obligations of others, except pursuant to the deposit and collection of checks and similar items in the ordinary course of its business.

17. UCC Reserve. On the date hereof, Debtor will deposit \$100,000 with the Bank in a deposit account under the sole control of the Bank (the "Deposit"). Debtor hereby grants to the Bank a security interest in the Deposit and the deposit account holding the Deposit and such property will be part of the Collateral described in this Security Agreement. Prior to occurrence of an Event of Default, the Deposit will be returned to Debtor in the event: (i) Debtor obtains terminations or subordinations to the Bank (which terminations and subordinations must be satisfactory to the Bank) of the UCC Financing Statements filed with the Florida Secured Transaction Registry by Riveria Finance of Texas, Inc. and Rivera Finance No. 200200441017, as amended and by Pedro and Magaly Betancourt No. 200305322093; or (ii) Debtor pays the Liabilities in full, all lines of credit and other financing facilities provided by the Bank to Debtor are cancelled, and the Bank has no obligation of any kind to extend financing to Debtor. Upon occurrence of an Event of Default, the Bank may, at any time thereafter and prior to the curing of such default, apply the Deposit to payment of the Liabilities. Debtor hereby represents, warrants and agrees to and with the Bank that the aggregate obligations secured by the security interests evidenced by the UCC Financing Statements described in this section 17 do not exceed \$300,000 on the date hereof and that Debtor will not incur any additional obligations after the date hereof which could be secured by such security interests.

Date of Signing: November 17, 2004

SEGMENTZ, INC.

By: _____

Andrew J. Norstrud

Its: Chief Financial Officer

KZLIB:468501.7\069089-00167

11/17/04

CONTINUING GUARANTY

1. Promise to Pay. For value received, the undersigned hereby absolutely and unconditionally guarantees to **Fifth Third Bank**, a Michigan banking corporation (the "Bank"), the full and prompt payment or performance of the following in accordance with the terms of this Guaranty: any and all indebtedness, obligations, promises, debts and liabilities of every kind and nature of **Segmentz, Inc.** (the "Debtor") to the Bank however evidenced, whether now existing or hereafter created or arising, whether direct or indirect, absolute or contingent, joint or several and however owned, held or acquired by the Bank, whether through discount, overdraft, purchase, direct loan or as collateral or otherwise and any and all indebtedness, obligations or liabilities for which Debtor would otherwise be liable to the Bank were it not for the invalidity, irregularity or unenforceability of them by reason of any bankruptcy, insolvency or other law or order of any kind, or for any other reason (hereinafter collectively the "Indebtedness"). The undersigned also agrees to pay all costs and expenses including, but not limited to, reasonable attorney's fees incurred by the Bank in endeavoring to collect the Indebtedness or any part thereof and in enforcing this Guaranty or realizing upon any collateral for the Indebtedness or this Guaranty (including participating or taking action in any bankruptcy or other insolvency proceeding of the Debtor or the undersigned).

2. Extent of Liability. If the Debtor fails to pay all or any part of the Indebtedness when due, whether by default or maturity, the undersigned immediately upon the demand of the Bank will pay to the Bank the amount due and unpaid by the Debtor as if such amount constituted the direct and primary obligation of the undersigned. The Bank shall not be required prior to any such demand on or payment by the undersigned to make any demand upon or pursue or exhaust any of its rights or remedies against the Debtor or any other person obligated with respect to the Indebtedness ("Obligor") or to pursue or exhaust any of its rights or remedies with respect to any collateral for the Indebtedness or this Guaranty. Upon the death, incompetency, dissolution, liquidation or insolvency (however evidenced) of the Debtor, or the institution of bankruptcy or receivership proceedings against or by the Debtor, all of the Indebtedness then existing shall, at the option of the Bank and without notice to the Debtor or the undersigned, immediately become due and payable by the undersigned. The Bank may enforce this Guaranty against the undersigned without any obligation to resort to the Debtor for the payment or to any other guarantor or any collateral, security, liens or other rights or remedies of the Bank. This is a continuing guaranty of payment and not of collection and remains effective whether the Indebtedness is from time to time reduced and later increased or entirely extinguished and later reincurred. The undersigned delivers this Guaranty based solely on the undersigned's independent investigation of (or decision not to investigate) the financial condition of the Debtor and is not relying on any information furnished by the Bank. The undersigned assumes full responsibility for obtaining any further information concerning the Debtor's financial condition, the status of the Indebtedness or any other matter which the undersigned may deem necessary or appropriate now or later. The undersigned knowingly accepts the full range of risk encompassed in this Guaranty, which risk includes, without limit, the possibility that the Debtor may incur Indebtedness to the Bank after the financial condition of the Debtor, or the Debtor's ability to pay debts as they mature, has deteriorated.

The undersigned agrees to pay the Indebtedness to the Bank in accordance with the terms of each instrument and document evidencing the Indebtedness regardless of whether such terms are held to be unenforceable, void or of no effect against the Debtor or any other Obligor. Without limiting the generality of the foregoing, the undersigned will not assert, plead or enforce against the Bank any defense of waiver, release, discharge in bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority, usury, illegality or unenforceability that may be available to the Debtor or any other Obligor, or any setoff available to the Debtor or any other Obligor against the Bank, whether or not on account of a related transaction. The undersigned shall be liable for any deficiency remaining after foreclosure of or realization upon any security for all or part of the Indebtedness, whether or not the liability of the Debtor or any other Obligor for the deficiency is discharged pursuant to statute, judicial decision or otherwise.

3. Waivers and Powers of the Bank. The undersigned waives: (i) and postpones any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from the Debtor any amounts paid by the undersigned pursuant to this Guaranty until such time as Bank has been fully and irrevocably paid the entire Indebtedness and no such payment (or any part thereof) is subject to any actual or potential claim for recovery, return or disgorgement as a preference or otherwise; (ii) any notice of the Debtor incurring any of the Indebtedness; and (iii) presentment, demand, protest or notice of dishonor, non-payment or other default with respect to any of the Indebtedness or any collateral therefore. The undersigned hereby grants to the Bank full power in its discretion and without notice to the undersigned to deal in any manner with the Indebtedness and any guarantor or any collateral, including but not limited to the following powers:

A. To change any terms of any of the Indebtedness, including the rate of interest and to grant any extension or renewal of the Indebtedness and any other indulgence with respect thereto and to effect any release, compromise or settlement of the Indebtedness;

B. To forbear or enter into any agreement to forbear from taking any action with respect to any of the Indebtedness or with respect to any guarantor or any collateral and to change the terms of any agreement to forbear;

C. To forbear for calling for additional collateral to secure any of the Indebtedness or any other obligation of the Debtor to the Bank;

D. To consent to the substitution, exchange or release of any one of the undersigned (if more than one) and any other guarantors or all or any part of any collateral securing the Indebtedness whether or not any new collateral or guaranties, if any, received by the Bank as a result of any such substitution, exchange or release, shall be of the same or of a different character or value than the collateral or guarantees surrendered by the Bank;

E. If the Indebtedness is not paid when due, whether by default, demand or maturity or if there is a default in the performance of any obligation with respect to the collateral, to realize on all or part of the collateral as a whole or in such parcels or subdivided interest as the Bank may elect at any public or private sales for cash or on credit for future delivery without demand, advertisement or notice of the time or place of sale or any adjournment thereof (the undersigned hereby waives any such demand, advertisement and notice to the extent permitted by law), or by foreclosure or otherwise or to forebear from realizing thereon as the Bank, in its discretion, deems proper and to purchase all or any part of any collateral for its own account at any such sale or foreclosure.

The obligations of the undersigned hereunder shall not be released, discharged or in any way affected nor shall the undersigned have any rights or recourse against the Bank by reason of any action the Bank may take or omit to take under the foregoing powers. The undersigned unconditionally and irrevocably waives each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of the undersigned under this Guaranty, and acknowledges that each such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from the undersigned now or later securing this Guaranty and/or the Indebtedness, and acknowledges that as of the date of this Guaranty no such defense or setoff exists.

The obligations of the undersigned hereunder shall not be released, discharged or in any way affected by reason of the fact that a valid lien on any of the collateral may not be conveyed to or created in favor of the Bank; nor by reason of the fact that any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that any of the Indebtedness may be invalid or unenforceable for any reason; nor by reason of the fact that the value of any of the collateral or the financial condition of the Debtor, any obligor or any guarantor may not have been correctly estimated or may have changed or may hereafter change; nor by reason of any deterioration, waste or loss by fire, theft or otherwise of any collateral unless caused by the willful act or willful failure to act of the Bank; nor by any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor.

The undersigned agrees that no security now or later held by the Bank for the payment of any Indebtedness, whether from the Debtor, any guarantor, or otherwise, and whether in the nature of a security interest, pledge, lien, assignment, setoff, suretyship, guaranty, indemnity, insurance or otherwise, shall affect in any manner the unconditional obligation of the undersigned under this Guaranty, and the Bank, in its sole discretion, without notice to the undersigned, may release, exchange, enforce and otherwise deal with any security without affecting in any manner the unconditional obligation of the undersigned under this Guaranty. The undersigned acknowledges and agrees that the Bank has no obligation to acquire or perfect any lien on or security interest in any assets, whether real or personal, to secure payment of the Indebtedness, and the undersigned is not relying upon any assets in which the Bank has or may have a lien or security interest for payment of the Indebtedness.

No release or discharge of any one or more of the undersigned or modification of this Guaranty as to any of the undersigned (if there be more than one) shall release or discharge any other of the undersigned unless and until all of the Indebtedness shall have been fully paid.

4. Payments on the Indebtedness. All payments received from the Debtor or on account of the Indebtedness from any other source shall be taken and applied as payment in gross and this Guaranty shall apply to and secure any ultimate balance which shall remain owing to the Bank. The Bank shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness.

5. Termination. Any of the undersigned may terminate their obligation under this Guaranty as to future Indebtedness (except as provided below) by (and only by) delivering written notice of termination to an officer of the Bank and receiving from an officer of the Bank written acknowledgement of delivery; provided, however, the termination shall not be effective until the opening of business on the fifth (5th) day ("effective date") following written acknowledgement of delivery. Any termination shall not affect in any way the unconditional obligations of the remaining guarantor(s), whether or not the termination is known to the remaining guarantor(s). Any termination shall not affect in any way the unconditional obligations of the terminating guarantor(s) as to any Indebtedness existing at the effective date of termination or any Indebtedness created after that pursuant to any commitment or agreement of the Bank or pursuant to any credit facility provided to the Debtor by the Bank existing at the effective date of termination (whether advances or readvances by the Bank after the effective date of termination are optional or obligatory), or any modifications, extensions or renewals of any of this Indebtedness, whether in whole or in part, and as to all of this Indebtedness and modifications, extensions or renewals of it, this Guaranty shall continue effective until the same shall have been fully paid. The Bank has no duty to give notice of termination by any guarantor(s) to any remaining guarantor(s). The undersigned shall indemnify the Bank against all claims, damages, costs and expenses, including, without limit, attorney fees, incurred by the Bank in connection with any suit, claim or action against the Bank arising out of any modification or termination of Debtor's credit facilities by the Bank or any refusal by the Bank to extend additional credit in connection with the termination of this Guaranty.

6. Security. The liability of the undersigned under this Guaranty is secured by all items now or hereafter deposited in any account of any of the undersigned with the Bank and by all proceeds of such items (cash or otherwise); by all account balances of any of the undersigned now or hereafter with the Bank; by all property of any of the undersigned now or hereafter in the possession of the Bank; and by any other collateral, rights and properties described in each and every mortgage, security agreement, pledge, assignment and other security or collateral agreement which has been or will hereafter be executed by any of the undersigned to or for the benefit of the Bank (all herein collectively called the "Guaranty Collateral"). Any Guaranty Collateral or the proceeds thereof may be applied to satisfy the liability of the undersigned under this Guaranty.

7. Sale/Assignment: The undersigned acknowledges that the Bank has the right to sell, assign, transfer, negotiate, or grant participations in all or any part of the Indebtedness and any related obligations, including, without limit, this Guaranty, without notice to the undersigned and that the Bank may disclose any documents and information which the Bank now has or later

acquires relating to the undersigned or to the Borrower in connection with such sale, assignment, transfer, negotiation, or grant. The undersigned agrees that the Bank may provide information relating to this Guaranty or relating to the undersigned to the Bank's parent, affiliates, subsidiaries and service providers.

8. Other Guarantors: If any Indebtedness is guaranteed by two or more guarantors, the obligation of the undersigned shall be joint and several as to all guarantors, whether the guarantees are executed together or separately, and may be enforced at the option of the Bank against each or any number of guarantors. The Bank, in its sole discretion, may release any one or more of the guarantors for any consideration which it deems adequate, and may fail or elect not to prove a claim against the estate of any bankrupt, insolvent, incompetent or deceased guarantor; and after that, without notice to any guarantor, the Bank may extend or renew any or all Indebtedness and may permit the Debtor to incur additional Indebtedness, without affecting in any manner the unconditional obligation of the remaining guarantors. The undersigned acknowledges that the effectiveness of this Guaranty is not conditioned on any or all of the Indebtedness being guaranteed by anyone else.

9. Reinstatement: Notwithstanding any prior revocation, termination, surrender or discharge of this Guaranty (or of any lien, pledge or security interest securing this Guaranty) in whole or in part, the effectiveness of this Guaranty, and of all liens, pledges and security interests securing this Guaranty, shall automatically continue or be reinstated in the event that any payment received or credit given by the Bank in respect of the Indebtedness is returned, disgorged or rescinded under any applicable state or federal law, including, without limitation, laws pertaining to fraudulent transfer, bankruptcy or insolvency, in which case this Guaranty, and all liens, pledges and security interests securing this Guaranty, shall be enforceable against the undersigned as if the returned, disgorged or rescinded payment or credit had not been received or given by the Bank, and whether or not the Bank relied upon this payment or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Guaranty and the liens, pledges and security interests securing it, the undersigned agrees upon demand by the Bank, to execute and deliver to the Bank those documents which the Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of the undersigned to do so shall not affect in any way the reinstatement or continuation. If the undersigned does not execute and deliver to the Bank upon demand such documents, the Bank and each Bank officer is irrevocably appointed (which appointment is coupled with an interest) the true and lawful attorney of the undersigned (with full power of substitution) to execute and deliver such documents in the name and on behalf of the undersigned.

10. Miscellaneous. All persons signing this Guaranty on behalf of a corporation, partnership, trust or other entity warrant to the Bank that they are duly and properly authorized to execute this Guaranty. Nothing in this Guaranty shall waive or restrict any right of the Bank granted in any other document or by law. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver. No single or partial release by the Bank of any right or remedy shall preclude any other future exercise of that right or remedy or the exercise of any other right or remedy. No waiver or indulgence by the Bank of any default shall be effective unless in writing and signed by the Bank. Nor shall a waiver on one occasion be construed as a bar to or waiver of that right on any future occasion. Any reference to the Bank shall include any

assignee or holder of all or any part of the Indebtedness. Each and every immediate and successive assignee, transferee or holder of all or any part of the Indebtedness shall have the right to enforce this Guaranty by suit or otherwise for the benefit of such assignee, transferee or holder as fully as if such assignee, transferee or holder were specifically named herein, provided that the Bank shall have an unimpaired right to enforce this Guaranty for its benefit as to so much of the Indebtedness as it has not assigned or transferred. This Guaranty shall bind the respective heirs, personal representatives, successors and assigns of the undersigned. The undersigned agrees that any action against them for enforcement of this Guaranty may be brought by the Bank in any federal, municipal or state court in Michigan having jurisdiction of the subject matter; the undersigned consent to personal jurisdiction over them by such courts; and they consent to venue in such courts. This Guaranty was executed in Michigan and is governed by Michigan law. Any married woman executing this Guaranty acknowledges that she binds and intends to bind her individual estate hereby.

11. JURY TRIAL WAIVER. THE UNDERSIGNED AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS GUARANTY OR THE INDEBTEDNESS.

Date of Signing: November 17, 2004

WITNESSES:

Guarantor:

EXPRESS I, INC.

By: _____

Its: _____

Guarantor's Address:

429 Post Road
Buchanan, Michigan 49107

KZLIB:468530.1\069089-00167

SECURITY AGREEMENT

Date: November 17, 2004

Bank's name: **Fifth Third Bank** (the "Bank")
 Bank's mailing address: 830 Pleasant Street
 RSJM27
 St. Joseph, Michigan 49085

Debtor's exact legal name: **Express 1, Inc.** ("Debtor")
 Debtor's mailing address: 429 Post Road
 Buchanan, Michigan 49107
 Tampa, Florida 33647

Debtor is an (check one):
 Individual
 Organization

IF DEBTOR IS AN ORGANIZATION:

Debtor is a (check one):
 Corporation
 Limited Liability Company
 Limited Partnership
 Partnership
 Trust
 Other _____

Debtor's state (or country) of organization is: Michigan

Debtor's sole place of business, or if Debtor has more than one place of business, Debtor's chief executive office is located in the state (or country) of: Michigan

Debtor's organizational identification number is (leave blank if Debtor does not have a number): 380075.

IF DEBTOR IS AN INDIVIDUAL:

Debtor's principal residence is located in the state of:

COMPLETE FOR ALL DEBTORS:

All States (or countries) in which any of the Debtor's equipment, inventory or other assets may be located (other than those listed above):

Debtor's federal employer tax identification number (or social security number) is:

Debtor agrees with the Bank as follows:

1. Liabilities Secured. The obligations which are secured by this Agreement are referred to collectively as the "Liabilities" and are as follows: Payment of all loans, advances and/or commitments made by the Bank to Debtor, together with interest thereon and other sums owing pursuant thereto; payment and performance of the provisions of this Security Agreement; payment and performance of all notes, undertakings, obligations, debts, liabilities, agreements,

applications or agreements for issuance of letters of credit, assignments, guarantees, or promises of or by Debtor to or with the Bank, whether due, existing or arising, now or in the future, absolute or contingent, direct or indirect, however arising or acquired by the Bank, and including obligations originally owing by Debtor to a third party and assigned by such third party to the Bank; payment and performance of all existing and future obligations (including the kinds of obligations described above) to the Bank of any persons or entities for which Debtor is or becomes an accommodation party, surety or guarantor or whose obligations this Security Agreement is given to secure; and all extensions, renewals and modifications of the foregoing. If more than one person appears as Debtor above, the Liabilities shall include, without limitation, all of the foregoing joint, several and individual obligations of each such person to the Bank. Debtor agrees that if the proceeds of any of the Liabilities created in the future are utilized to pay and/or renew any of the Liabilities existing at this time, such future Liabilities shall be presumed to be renewals or extensions of the existing Liabilities.

2. Collateral. As security for the "Liabilities" as defined in Section 1 above, Debtor hereby assigns and grants to the Bank a continuing security interest and lien in the following property owned by Debtor or in which Debtor has rights, whether now or hereafter existing or acquired by Debtor and wherever located: all accounts; all payment intangibles; all books, records and data related to the foregoing; and all proceeds of the foregoing. (hereinafter referred to as the "Collateral")

3. Special Representations, Warranties and Agreements. Debtor represents, warrants and agrees that at all times this Agreement is in effect:

3.1 Information Correct. The information regarding Debtor set forth on the first page of this Agreement is true and correct and Debtor will immediately notify the Bank in writing of any change in such information and will not change its state of organization, not change its legal name and not merge or consolidate with any other entity without providing the Bank with thirty (30) days prior written notice of such event.

3.2 Assumed Names. Any business conducted by Debtor under any assumed name shall be subject to this Agreement and any assets now or hereafter owned by Debtor under any assumed name shall be subject to the security interest granted by this Agreement.

3.3 Additional Information. Debtor shall furnish to the Bank the following:

A. Within ten (10) days after and as of the end of each month (and at such other time or times as the Bank may request), a schedule identifying each of Debtor's accounts receivable and further identifying each Eligible Accounts Receivable (as defined in Section 7.1). Debtor will from time to time deliver to the Bank at the Bank's request additional schedules, certificates and information as the Bank may require respecting the Collateral, the terms or amounts received by Debtor in full or partial payment of any of the Collateral, and any goods (the sale or lease of which by Debtor shall have given rise to any of the Collateral) possession of which has been obtained by Debtor. Any such schedule, certificate or other information shall be executed by a duly authorized officer of Debtor and shall be in such form and detail as the Bank may specify.

Whenever Debtor provides information to the Bank regarding Debtor's accounts receivable and/or inventory Debtor shall be deemed to have warranted that, except as otherwise indicated, each account receivable referred to in such information is an Eligible Accounts Receivable and all inventory referred to in such information is Eligible Inventory (as defined in Section 7.2). Any schedule identifying any account receivable shall be accompanied (if the Bank so requests) by a true and correct copy of the invoice evidencing such account receivable and by evidence of shipment or performance by Debtor.

B. Promptly upon request by the Bank, any additional financial or other information regarding Debtor or the Collateral as the Bank may request. Any information shall be executed by a duly authorized officer of Debtor and shall be in such form and detail as the Bank may specify.

3.4 Financing Statements. Debtor authorizes the Bank to file a financing statement describing the Collateral and ratifies any financing statement previously filed by the Bank regarding the Collateral.

3.5 Possession by Third Party. If any of the Collateral is in the possession of a third party, Debtor will join with the Bank in notifying the third party of the Bank's interest and obtaining an acknowledgement from the third party that it is holding the Collateral for the benefit of the Bank

3.6 Chattel Paper. Debtor will not create any chattel paper as proceeds of the Collateral without placing a legend on the chattel paper acceptable to the Bank indicating that the Bank has a security interest in the chattel paper.

4. Basic Representations, Warranties and Agreements. Debtor represents, warrants and agrees that at all times this Agreement is in effect:

4.1 Use of Collateral. The Collateral shall be used primarily for business purposes.

4.2 Section 4.2 has been intentionally omitted.

4.3 Transfer of Collateral. Debtor shall not sell, assign, rent, lease, lend, license or otherwise dispose of any interest in the Collateral without the prior written consent of the Bank.

4.4 Ownership; No Liens. Debtor owns and shall preserve the Collateral (and, as to after-acquired Collateral, shall own and preserve the same) free and clear of all taxes, liens, claims and security interests other than in favor of the Bank. Debtor shall defend the Collateral against all claims of anyone claiming an interest therein or tax or lien thereon.

4.5 Section 4.5 has been intentionally omitted.

4.6 Financing Statements, Titles, Etc. Immediately upon request of the Bank, at any time, Debtor shall execute and deliver to the Bank all financing statements, security

agreements and other instruments and documents which the Bank may request for the purpose of implementing or confirming the terms of this Agreement, all of which shall be in a form satisfactory to the Bank. Debtor hereby irrevocably appoints the Bank, or any of its officers, as its true and lawful attorney, with full power of substitution, in the name of Debtor, to execute and file, at any time, any financing statement, continuation statement or amendments thereto, which the Bank deems necessary or convenient to protect, perfect or maintain the security interests and liens granted to the Bank.

4.7 Identification of Collateral. Upon demand of the Bank, Debtor shall mark any or all Collateral in a manner sufficient to identify the security interest of the Bank.

4.8 Collateral and Business Records. All records and information maintained by Debtor with respect to the Collateral and its account debtors and all other information set forth in any writing now or hereafter furnished to the Bank by Debtor shall be true and correct as of the date furnished. All financial statements and data furnished to the Bank shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the financial condition of Debtor as of the dates, and the results of its operations for the periods, for which the same are furnished to the Bank. Debtor shall maintain accurate and complete records of the Collateral. All records of Debtor relating to the Collateral, its account debtors and any of the Debtor's financial affairs shall be maintained by Debtor at its chief executive office and shall not be removed therefrom without the prior written approval of the Bank.

4.9 Section 4.9 has been intentionally omitted.

4.10 Compliance With Law. Debtor shall not use the Collateral for any unlawful purpose nor in violation of any statute or ordinance.

4.11 Taxes and Charges. Debtor shall promptly pay when due all taxes, assessments, fees, licenses and charges upon or necessary for the use or operation of the Collateral.

4.12 Insurance. All Collateral shall be insured from loss by fire, theft and other casualties (including extended coverage) in an amount, in a manner and with companies satisfactory to the Bank. Such insurance shall be payable to Debtor and the Bank as their interests may appear. Debtor shall provide proof of insurance satisfactory to the Bank upon request. All insurance policies shall provide that the Bank must receive at least thirty (30) days prior written notice before any cancellation, non-renewal or reduction in coverage. Debtor hereby assigns to the Bank, as additional security for payment of the Liabilities, all rights of Debtor under or with respect to, all policies of insurance covering the Collateral, and all money which becomes due under such policies. Debtor hereby directs the issuer of any such policy to pay such money directly to the Bank. Both before and after the occurrence of an Event of Default, the Bank may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive money due under such insurance policies, endorse checks and other instruments representing payment of such money, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

4.13 Inspection. The Bank may take any actions reasonably necessary or convenient to ascertain the existence, condition and value of the Collateral. Debtor shall permit representatives of the Bank to visit and inspect any of the properties and facilities of Debtor and examine, copy (by electronic or other means) and abstract any of the books and accounting and Collateral records of Debtor at any time and as often as may be desired by the Bank. The cost of all such inspections shall be immediately paid by Debtor to the Bank, shall be added to the Liabilities secured hereby and shall bear interest at the highest rate specified in any of the Liabilities secured hereby from the date incurred by the Bank until paid.

4.14 Actions by the Bank; Reimbursement. The Bank may immediately take any action or pay any sum required to be done or paid by Debtor under this Agreement if the Bank, in its discretion, determines that it is necessary or convenient to do so in order to protect, preserve or maintain the Collateral or the rights of the Bank therein. The amount of such payment or the cost of doing such act shall be immediately paid by Debtor to the Bank, shall be added to the Liabilities secured hereby, and shall bear interest at the highest rate specified in any of the Liabilities secured hereby from the date incurred by the Bank until paid. No act done or amount paid by the Bank under this Section shall be deemed to constitute a waiver of any default of Debtor.

4.15 Section 4.15 has been intentionally omitted.

4.16 Debtor's Rights to Deal With the Collateral. Except under the circumstances set forth in Section 4.17, the Collateral shall be on a non-remittance basis, which means the following provisions apply:

A. In the ordinary course of business, Debtor may grant to any party obligated on any account, instrument, chattel paper or other item of Collateral, any rebate, refund or adjustment to which such party may be lawfully entitled, may accept, in connection therewith, the return of goods, the sale or lease of which gave rise to any account, instrument, chattel paper or other item of Collateral, and may dispose of returned goods.

B. At its own expense, Debtor may collect, when due, all amounts due Debtor under any account, instrument, chattel paper or other item of Collateral, and use the amounts collected in the ordinary course of business.

4.17 The Bank's Right to Collect Amounts Owed to Debtor. The Bank may, in its good faith discretion, at any time after occurrence of an Event of Default, notify Debtor that the Collateral is on a remittance basis which means the following provisions apply:

A. Immediately upon receipt, Debtor shall deliver to the Bank in the form received, all cash, checks, drafts, credit card charges, and other instruments for the payment of money (properly endorsed, where required, so that such items may be collected by the Bank) which are received by Debtor at any time, in full or partial payment of any sale, lease, collection or other disposition of any of the Collateral or for services rendered. Debtor shall, immediately upon receipt deliver to the Bank (properly endorsed as directed by the Bank) any

document of title, account, promissory note, trade acceptance, chattel paper, instrument, or other evidence of an obligation to Debtor given as payment for any of the Collateral sold, leased or disposed of by Debtor or for services rendered. Any such items which are received by Debtor will not be commingled with any of its other funds or property, but will be held in trust for the Bank separate and apart from Debtor's own funds or property until delivery is made to the Bank.

B. All amounts which are delivered by Debtor to the Bank which represent partial or full payment for any of the Collateral shall, at the Bank's option: (1) be applied to payment of the Liabilities secured hereby, whether then due or not, in any order which the Bank desires; or (2) be deposited to the credit of a non-interest bearing deposit account in the name of the Bank, as security for payment of the Liabilities. Debtor shall have no right to withdraw any funds deposited in such account. Upon request of Debtor (but not more than once each week) or as often as the Bank desires, the Bank may apply all or any part of the collected funds in such account, toward payment of the Liabilities, whether or not then due, in any order which the Bank desires. The Bank may, from time to time, in its discretion, release some or all of the balance in such account to Debtor.

C. If requested by the Bank, Debtor shall direct all account debtors or other parties obligated on any of the Collateral to make payments due and to become due thereon to a United States Post Office Box or other mailing address designated by the Bank in the name of Debtor at a location designated by the Bank. The post office box shall be under the exclusive custody and control of the Bank.

D. The Bank may, in its own name, or in the name of Debtor, notify any or all of the parties obligated on any of the Collateral to make all payments due and to become due thereon directly to the Bank, and thereupon Debtor's authority to collect any accounts, general intangibles, chattel paper, instruments or other Collateral in the ordinary course of business shall be terminated.

E. The Bank shall have the right, in its own name or in the name of Debtor, to enforce Debtor's rights against all account debtors and obligors and collect the accounts, general intangibles, instruments, chattel paper and other items of Collateral (by legal proceedings or otherwise); to take control in any manner of any cash or non-cash payments or proceeds thereof and any returned or repossessed goods relating thereto; to demand, receive, receipt for, settle, compromise, sell, assign, extend or renew any and all amounts due or to become due to Debtor on any item of Collateral upon such terms and in such amounts and at such times as the Bank deems advisable; and to discharge and release any such debt in the name of Debtor.

F. Debtor hereby irrevocably appoints the Bank, or any of its officers, as its true and lawful attorney, with full power of substitution, in the

name of Debtor, to: (i) establish and maintain the United States Post Office Box referred to above; (ii) open and dispose of all mail, howsoever received by the Bank, representing any payment on, or other proceeds of, any of the Collateral; (iii) endorse and collect any check or other item received by the Bank representing payment on or other proceeds of the Collateral; and (iv) take all other actions necessary or convenient to carry out the provisions of this Section 4.17.

G. For the purpose of calculating interest on the Liabilities, the Bank may impose a standard one to three business day delay in crediting payments received by the Bank on the Collateral against the Liabilities to allow time for collection (or the Bank may, at the Bank's option, make such credits when such payments are actually collected by the Bank in immediately available funds). For the purpose of calculating the principal amounts available for borrowing by Debtor under any borrowing arrangements with the Bank, the Bank may, at the Bank's option, use a method different from that used for the purpose of calculating interest, and such methods may include either of the options described above, or the Bank may, at the Bank's option and solely for the purposes described in this sentence, elect to credit payments received by the Bank on the Collateral on the date of receipt.

4.18 Indemnity. In addition to payments of the Liabilities, Debtor agrees to indemnify, pay and hold harmless the Bank and any holder of any of the Liabilities, and the officers, directors, employees, agents and affiliates of the Bank and such holders (collectively called the "Indemnitees") from and against any and all obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto), which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement, the Liabilities, the Bank's relationship with Debtor, the use or intended use of the proceeds of any of the Liabilities or any environmental matter (the "Indemnified Claims"); provided that the Debtor shall have no obligation to an Indemnitee hereunder with respect to Indemnified Claims if it has been determined by a final decision (after all appeals and the expiration of time to appeal) by a court of competent jurisdiction that such Indemnified Claims arose primarily from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Debtor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them.

5. Default and Rights of the Bank

5.1 Events of Default. Occurrence of any of the following events shall constitute an "Event of Default" under this Agreement:

A. Non-payment when due, by default, demand, maturity, or otherwise, of any of the Liabilities;

B. Failure of Debtor to comply with any term of this Agreement, any of the documents evidencing the Liabilities, or any agreement between Debtor and the Bank;

C. The Bank discovers that any warranty or representation made to it by Debtor was or is false;

D. Debtor becomes insolvent or unable to pay debts as they mature or makes an assignment for the benefit of creditors or any proceeding is instituted by or against Debtor under any bankruptcy, insolvency or similar laws or any judgment is entered or any writ of attachment, garnishment or execution or tax lien is issued or levied against Debtor, any of its property or the Collateral;

E. Any indebtedness of Debtor becomes due by reason of default and/or acceleration of the maturity thereof;

F. Death or incompetency of Debtor, if a natural person; dissolution or death of a partner of Debtor, if a partnership; dissolution, merger, consolidation or a material change in the ownership of the voting stock of Debtor, if a corporation; dissolution, merger, or change in the members of Debtor, if a limited liability company;

G. Cessation of the normal business operations of Debtor;

H. Actual, impending, or reasonably anticipated decline in the value of the Collateral or the Bank deems the margin of the Collateral securing the Liabilities to be insufficient;

I. If the control or management of Debtor changes in a manner which adversely affects, in the sole judgment of the Bank, the ability of Debtor to carry on its business as previously conducted;

J. Failure of Debtor to pay, when due, any federal, state, or local tax, assessment, withheld tax, or similar obligation;

K. Any guaranty of, or document granting security for, any of the Liabilities shall, at any time, cease to be in full force and effect or be declared null or void, or any party to such guaranty or security document (other than the Bank) denies that it has any further liability thereunder (by giving notice to such effect or otherwise) or contests the validity or enforceability thereof; or

L. The Bank deems itself insecure, in good faith, believing that the prospect of payment of the Liabilities is impaired or in good faith fearing deterioration, removal or waste of any of the Collateral.

5.2 Bank's Rights Upon Default. Upon occurrence of an Event of Default, all of the Liabilities (regardless of any contrary terms thereof) shall, at the option of the Bank, be immediately due and payable without demand or notice, and the Bank may exercise any of the rights and remedies of a creditor under the Uniform Commercial Code (the "UCC"), any other law, or any Court Rule and/or take any one or more of the actions specified below (which rights and remedies are cumulative) without notice (except as required by law):

A. Exercise any right or action set forth herein or in any of the documents evidencing the Liabilities, including but not limited to, the rights and actions set forth in Section 4.17 above.

B. Institute legal proceedings to: foreclose the lien and security interest described herein; recover judgment on the Liabilities; and/or sell any or all of the Collateral.

C. Take possession of any Collateral if not already in its possession without demand and without legal process. Upon the Bank's demand, Debtor will assemble and make the Collateral available to the Bank as it directs. Debtor grants to the Bank the right, for this purpose, to enter into or on any premises where the Collateral may be located.

D. Sell, lease or otherwise dispose of the Collateral at public or private sale in accordance with the UCC, whether or not the Bank is in possession of the Collateral.

5.3 Foreclosure Procedures. The Bank shall give Debtor such notice of any private or public sale as may be required by the UCC. The Bank has no obligation to clean up or otherwise prepare the Collateral for sale. The Bank has no obligation to attempt to satisfy the Liabilities by collecting them from any other person liable for them and The Bank may release, modify or waive any collateral provided by any other person to secure any of the Liabilities, all without affecting The Bank's rights against Debtor. Debtor waives any right it may have to require The Bank to pursue any third person for any of the Liabilities. The Bank may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. The Bank may sell the Collateral without giving any warranties as to the Collateral. The Bank may specifically disclaim any warranties of title or the like. Any lack or disclaimer of warranties will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral. If the Bank sells any of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by the Bank, and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, The Bank may resell the Collateral and Debtor shall be credited with the proceeds of the sale. In the event the Bank purchases any of the Collateral being sold, the Bank may pay for the Collateral by crediting some or all of the Liabilities of the Debtor. The Bank has no obligation to marshal any assets in favor of Debtor, or against or in payment of any of the Liabilities or any obligation owed to the Bank by any other person.

5.4 Proceeds of Collateral. Proceeds of any collection or disposition by the Bank of any of the Collateral may be applied by the Bank first to the reasonable expenses of retaking, conserving, collecting (by suit or otherwise) or disposing of (by sale or otherwise) the Collateral, including reasonable attorneys' fees and legal expenses incurred, and then to the satisfaction of all the Liabilities secured hereby in such order of application as the Bank elects. After such application and any further application required by law, the Bank will account to Debtor for any surplus and Debtor and every guarantor of Debtor shall remain liable to the Bank for any deficiency.

6. Freedom to Deal With Collateral and Liabilities. Debtor agrees that the Bank may, without liability to Debtor: release any security for the Liabilities which has been provided by any other obligor before or after maturity of any of the Liabilities; enforce its rights as to any of the Collateral covered by this Agreement without being obliged to first do so as to any other security, whether owned by Debtor or any other person; add, substitute or release any maker or guarantor of the Liabilities; and/or extend, renew, modify, or make any accommodations with regard to the Liabilities. Debtor further agrees that the Bank has no duty to preserve its or Debtor's rights against prior parties with respect to any account, instrument or chattel paper in the Bank's possession.

7. Definitions. In addition to the terms elsewhere defined herein, the following definitions shall apply to terms used herein:

7.1 Eligible Accounts Receivable. The term "Eligible Accounts Receivable" shall mean an account arising in the ordinary course of Debtor's business which meets each of the following requirements:

A. It arises from the sale or lease of goods and such goods have been shipped or delivered to an account debtor under such account receivable; or it arises from services rendered and such services have been performed.

B. It is a valid, legally enforceable, unconditional obligation of the account debtor thereunder, and is not subject to any off-set, counterclaim, right to return goods or demand for repurchase by Debtor, or other defense to payment on the part of such account debtor, or to any claim on the part of such account debtor denying liability in whole or in part.

C. It is subject to the first priority security interest of the Bank and is not subject to any other lien or security interest whatsoever.

D. It is evidenced by an invoice, dated not later than 14 days after the date of shipment or performance rendered to such account debtor or some other evidence of billing acceptable to the Bank and is not evidenced by any instrument or chattel paper.

E. It is not owing by any account debtor who is affiliated with Debtor or whose obligations the Bank in its sole discretion, shall have determined are not deemed to constitute eligible accounts receivable, because of concerns regarding ability to pay or otherwise.

F. it is not owing more than ninety (90) days after the date of the original invoice or other writing evidencing such Account;

G. it is not owing by an account debtor who has failed to pay ten percent (10%) or more of the aggregate amount of its Accounts owing to Debtor within ninety (90) days after the date of the respective invoices or other writings evidencing such Accounts.

H. It is owing by an account debtor which is organized under the laws of the United States or any state thereof and which has its principal place of business in the United States.

I. If it arises from a contract which provides for "progress billings," the contract has been performed in full by Debtor.

J. It is not owing by the United States of America, any state or municipality, or any department, agency, authority, or instrumentality thereof.

K. It is not an account billed in advance, payable on delivery, for consigned goods, for guaranteed sales, for unbilled sales, payable at a future date in accordance with its terms, subject to a retainage or holdback by the account debtor or insured by a surety company.

An account which is at any time an Eligible Accounts Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Accounts Receivable.

7.2 Terms Defined by Statute. All other terms, not expressly defined herein, shall be defined and construed in accordance with the Uniform Commercial Code as in force in the State of Michigan from time to time; provided that with respect to any term used herein that is defined in either Article 9 of the Michigan Uniform Commercial Code as in force at the time this Agreement was signed, or Article 9 as in force at any relevant time after the date of this Agreement, the meaning to be ascribed thereto with respect to any particular item of property shall be that under the more-encompassing of the two definitions. Debtor specifically agrees that the term "Accounts" shall, to the extent permitted by the Michigan Uniform Commercial Code now or after the date hereof, include, but not be limited to, health-care-insurance receivables..

8. Expenses/Attorneys' Fees. All expenses incurred by the Bank in perfecting its security interest in any Collateral or insuring, protecting, maintaining, enforcing, selling, or disposing of the Collateral and all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Bank in seeking to collect or enforce any rights to or under the Collateral and, in case of default, incurred by the Bank in seeking to collect or enforce the Liabilities secured hereby (through formal or informal collection actions, workout or otherwise) and enforce its rights hereunder (including participating or taking action in any bankruptcy or other insolvency proceeding of Debtor) or for any other purpose related to this Agreement or the Liabilities shall be immediately reimbursed to the Bank by Debtor and shall be part of the Liabilities secured by this Agreement.

9. Miscellaneous. The paragraph headings used in this Agreement are for convenience only and shall not be used in the interpretation hereof. The obligations of each of the undersigned under this Agreement, if there is more than one Debtor, shall be joint and several; each of the undersigned shall be individually liable for performance of and for all amounts due under this Agreement. All persons signing this Agreement on behalf of a corporation, partnership, trust or other entity warrant to the Bank that they are duly and properly authorized to execute this Agreement. Nothing in this Agreement shall waive or restrict any right of the Bank granted in any other document or by law. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver. No single or partial exercise by the Bank of any right or remedy shall preclude any other future exercise of that right or remedy or the exercise of any other right or remedy. No waiver or indulgence by the Bank of any default shall be effective unless in writing and signed by the Bank, nor shall a waiver on one occasion be construed as a bar to or waiver of that right on any future occasion. Acceptance of partial or late payments owing on any of the Liabilities at any time shall not be deemed a waiver of any default. All rights, remedies and security granted to the Bank herein are cumulative and in addition to other rights, remedies or security which may be granted elsewhere or by law. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. If any provision hereof shall be declared invalid or illegal it shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Agreement. Notice from the Bank to Debtor, if mailed, shall be deemed given when mailed to Debtor, postage prepaid, at Debtor's address set forth at the beginning of this Agreement or at any other address of Debtor in the records of the Bank. The Bank may assign (or sell participations) in the Liabilities and any reference to the Bank shall include any holder of the Liabilities and any holder shall succeed to the Bank's rights under this Agreement. This Agreement shall bind the heirs, personal representatives, successors and assigns of Debtor and all persons who become bound as a debtor to this Agreement. Debtor agrees that any action against Debtor for enforcement of this Agreement may be brought by the Bank in any municipal or State court in Michigan having jurisdiction of the subject matter; Debtor consents to personal jurisdiction over it by such courts; and consents to venue in such courts. This Agreement has been executed in Michigan, and is governed by Michigan law, except to the extent that the Michigan Uniform Commercial Code provides for the application of the law of another state. If any payment applied by the Bank to the Liabilities is subsequently set aside, recovered, rescinded or otherwise required to be returned or disgorged by the Bank for any reason (pursuant to bankruptcy proceedings, fraudulent conveyance statutes, or otherwise), the Liabilities to which the payment was applied shall for the purposes of this Agreement be deemed to have continued in existence, notwithstanding the application, and shall be secured by the Collateral as fully as if the Bank had not received and applied the payment.

10. Termination. Either party may terminate this Agreement at any time on written notice to the other; provided, however, that such termination shall in no way affect, and this Agreement shall remain fully operative as to, any transactions entered into or rights or security interests granted or Liabilities secured hereby which are incurred prior to receipt of such notice by the party to whom given. After termination, the Bank's security interest in the Collateral and

all rights of the Bank and duties of Debtor described herein shall continue in full force and effect until all of the Liabilities secured hereby are paid in full and all credit accommodations provided by the Bank to Debtor are terminated.

11. WAIVER OF JURY TRIAL. DEBTOR AND THE BANK EACH HEREBY KNOWINGLY AND VOLUNTARILY, WITHOUT COERCION, WAIVE ALL RIGHTS TO A TRIAL BY JURY OF ALL DISPUTES BETWEEN THEM ARISING OUT OF THIS SECURITY AGREEMENT, ANY OF THE LIABILITIES, OR ANY ALLEGED ACT OR NEGLIGENCE OF THE BANK.

Debtor:

EXPRESS 1, INC.

By: _____

Its: _____

KZLIB:468541.2\069089-00167

11/16/04

SEGMENTZ SECURES \$3.5 MILLION TERM CREDIT FACILITY WITH FIFTH THIRD BANK

Company Contact:

Investor Relations Contact:

Allan Marshall

813-989-2232

Investor Relations Contact:

Hayden Communications, Inc.

Mark McPartland

843-272-4653

TAMPA, Fla.—(BUSINESS WIRE)—November 22, 2004—Segmentz, Inc. (AMEX: SZI), a provider of transportation and logistics management services to a select client base, ranging from mid-sized to Fortune 100 companies, announced today that it had obtained a \$3.5 million revolving credit facility with Fifth Third Bank that provides asset based credit to support current operations.

Segmentz Chief Financial Officer, Andrew J. Norstrud, noted, “Fifth Third Bank is a strong business partner with a geographical footprint similar to our operations. This partnership will provide us a means to unlock the cash frozen in our growing accounts receivable brought on by our increased sales and enable us to meet our expected growth in 2005.”

Segmentz President, Mike Welch, added, “The Line of Credit provides us with ongoing cash flow as new sales are generated, and provide an opportunity for us to form a relationship with a strong and reliable banking partner. Our management felt it was important to forge a relationship with a bank that would consider our primary business area similar to the area they service. Our business has historically benefited from our ability to work closely with our critical business partners. We feel the banks confidence in our business is warranted, and we are looking forward to them helping us fuel already strong organic growth.”

About Segmentz, Inc.

Segmentz, Inc. is a provider of premium transportation and logistics management services to its target client base, ranging from mid-sized to Fortune 100 companies. The Company’s services include regional trucking, time definite transportation, dedicated delivery and supply chain management services. The Company operates a network of terminals in the Southeast and Midwest United States. The Company is dedicated to providing services that are customized to meet its client’s individual needs and flexible enough to cope with an ever-changing business environment. Segmentz, Inc. is publicly traded on the American Stock Exchange under the symbol SZI.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties. Factors that could cause actual results to differ materially from those predicted in any such forward-looking statement include our ability to continue to lower our costs, our timely development and customers’ acceptance of our transportation products, including acceptance by key customers, pricing pressures, rapid technological changes in the industry, growth of the transportation and third party logistics market, increased competition, our ability to attract and retain qualified personnel, our ability to identify and successfully consummate future acquisitions; adverse changes in customer order patterns, adverse changes in general economic conditions in the U.S. and internationally, risks associated with foreign operations and political and economic uncertainties associated with current world events. These and other risks are detailed from time to time in Segmentz periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its report on Form 10-KSB for its fiscal year ended December 31, 2003.