

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): July 5, 2005**

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**SEGMENTZ, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**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)

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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 pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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#### ITEM 1.02 TERMINATION OF MATERIAL DEFINITIVE AGREEMENT

On June 29, 2005, as part of the restructuring plan to consolidate the headquarters to Buchanan Michigan, Segmentz, Inc. ("Segmentz") terminated the employment agreement of Andrew J. Norstrud, their Chief Financial Officer. Andrew J. Norstrud will continue to work for Segmentz, Inc. as their Chief Financial Officer as an at will employee under his current salary and benefits. Segmentz paid Andrew J. Norstrud a one time fee of \$135,000 and transferred some non-material assets for the termination of the contract. The agreement is filed herewith as Exhibit 10.5.

#### ITEM 2.01 COMPLETION OF ACQUISITION OF DISPOSITION OF ASSETS

On July 1, 2005, Segmentz, Inc. ("Segmentz") entered into an agreement with TTSI Holdings, Inc., and Paul Temple to sell certain assets of approximately \$330,250 in value and provide a \$250,000 line of credit for one year at a rate of 6%, which is secured by accounts receivables. TTSI Holdings, Inc., and Paul Temple will pay Segmentz the fair market value of the assets sold through a \$105,000, six year term note at a rate of 6% and 265,000 shares of Segmentz, Inc. common stock.

Copies of the following documents are attached hereto as exhibits 10.1 through 10.4: Asset Purchase Agreement, Loan Agreement, Line of Credit Agreement and Security Agreement.

#### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

##### (a) Financial Statement Information

The Disposed Assets are not significant as defined in the SEC Regulations and therefore Financial Information is not required.

##### (b) Pro Forma Financial Information

The Disposed Assets are not significant as defined in the SEC Regulations and therefore Pro Forma Financial Information is not required.

##### (c) Exhibits

- 10.1 Asset Purchase Agreement between Segmentz, Inc., and TTSI Holdings, Inc., and Paul Temple.
- 10.2 Loan Agreement between Segmentz, Inc., and TTSI Holdings, Inc., and Paul Temple, dated July 1, 2005.
- 10.3 Line of Credit Agreement between Segmentz, Inc., and TTSI Holdings, Inc., and Paul Temple, dated July 1, 2005.
- 10.4 Security Agreement between Segmentz, Inc., TTSI Holdings, Inc., and Paul Temple, dated July 1, 2005.
- 10.5 Contract Termination Agreement between Segmentz, Inc. and Andrew J. Norstrud, dated June 29, 2005.
- 99.1 Press Release dated July 5, 2005.

**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: July 5, 2005

**ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT, effective as of July 1, 2005 (this "Agreement"), by and between Segmentz, Inc., a Delaware corporation ("Seller"), TTSI Holdings, Inc., an Indiana corporation ("Buyer"), and Paul Temple ("Temple").

WHEREAS, Seller and Buyer desire to enter into this Agreement pursuant to which, upon the terms and subject to the conditions contained in this Agreement, Seller will sell to Buyer, and Buyer will purchase from Seller a unit of Seller's business (the "Unit") including certain assets and liabilities of the Unit;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

**ARTICLE I****PURCHASE AND SALE**

1.1. Purchase and Sale. As of the Closing Date (as defined in Section 2.2), Seller shall sell, transfer, convey, assign and deliver to Buyer, as is, and Buyer shall purchase from Seller, all of Seller's right, title and interest in and to the assets and personal property constituting the Unit, as set forth on Schedule 1.1 (collectively the "Purchased Assets").

1.2. Assumption of Liabilities. As of the Closing Date (as defined in Section 2.2), Buyer shall assume, and shall agree to absolutely and fully pay, perform and discharge when due, the liabilities of the Unit as set forth on Schedule 1.2 (collectively, the "Assumed Liabilities").

**ARTICLE II****PURCHASE PRICE; DELIVERIES**

2.1. Purchase Price. The aggregate consideration to be paid to Seller for the Purchased Assets of the Unit (the "Purchase Price") shall consist of (i) the delivery by Buyer to Seller of a promissory note in the form of the attached Exhibit A (the "Promissory Note"), in the principal amount of \$105,000], with interest at the rate of 6% per annum, payable in 60 equal monthly payments of principal and interest commencing on the one year anniversary of the date of issuance, (ii) the assumption by Buyer of the Assumed Liabilities at Closing, and (iii) the delivery by Buyer to Seller of 265,000 shares of Segmentz, Inc. common stock (the "Shares").

2.2. Closing. The Closing (the "Closing") shall take place at Adorno & Yoss, P.A., 350 East Las Olas Boulevard, Suite 1700, Fort Lauderdale, FL 33301 concurrently with the execution of this Agreement, unless otherwise mutually agreed upon by the parties (the "Closing Date").

2.3. Deliveries by Seller. At the Closing, Seller shall:

- (a) Execute and deliver to Buyer a bill of sale; and

(b) Deliver to Buyer such other instruments, documents and certificates as may be reasonably requested by Buyer and are customary for transactions of this nature to effectuate the transactions contemplated hereby.

2.4. Deliveries by Buyer. At the Closing, Buyer shall:

(a) Deliver of the Promissory Note;

(b) Execute and deliver to Seller an instrument or instruments consistent with the terms hereof and reasonably satisfactory in form and substance to Seller evidencing Buyer's assumption of the Assumed Liabilities;

(c) Deliver a certificate or certificates evidencing the Shares duly endorsed for transfer in blank; and

(d) Deliver to Seller other such instruments, documents and certificates as may be reasonably requested by Seller and are customary for transactions of this nature to effectuate the transactions contemplated hereby.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

3.1. Seller represents and warrants to Buyer as follows:

(a) Organization, Good Standing, Power, Etc. Seller (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and (b) has all requisite corporate power and authority (i) to own the Purchased Assets and carry on its business as presently being conducted and (ii) to execute, deliver and perform this Agreement and all other agreements, documents, and certificates set forth herein (the "Ancillary Documents") which Seller is required to deliver pursuant hereto, and to consummate the transactions contemplated hereby and thereby.

(b) Authorization of Agreement. Seller has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents which Seller is required to deliver pursuant hereto and the consummation of the transactions contemplated hereby and thereby. This Agreement has been, and each of the Ancillary Documents which Seller is required to deliver pursuant hereto has been or will be, duly and validly authorized, executed and delivered by Seller and this Agreement constitutes, and each of the Ancillary Documents constitutes or will upon execution and delivery constitute, the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms.

(c) Title to Properties. The sale of the Purchase Assets is as is. Seller gives no representation with respect to any liens, encumbrances or exceptions to title on the Purchased Assets.

(d) Fees. Seller is not obligated to pay, and has not retained any broker or finder or any other person or entity who is entitled to, any broker's or finder's fee or any other commission or financial advisory fee based on any agreement or undertaking made by Seller in connection with the transactions contemplated hereby. Buyer shall not, through the transfer of the Purchased Assets or otherwise, have any obligations in respect of any such fees or commissions.

(e) Accuracy of Information; Full Disclosure. To the knowledge of Seller, none of the representations and warranties of Seller in this Agreement nor in any Ancillary Document to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading

3.2. Buyer represents and warrants to Seller as follows:

(a) Organization, Good Standing, Power, Etc. Buyer (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana and (b) has all requisite corporate power and authority (i) to own the Purchased Assets and carry on its business as presently being conducted and (ii) to execute, deliver and perform this Agreement and the Ancillary Documents which Buyer is required to deliver pursuant hereto, and to consummate the transactions contemplated hereby and thereby.

(b) Authorization of Agreement. Buyer has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents which Buyer is required to deliver pursuant hereto and the consummation of the transactions contemplated hereby and thereby. This Agreement has been, and each of the Ancillary Documents which Buyer is required to deliver pursuant hereto has been or will be, duly and validly authorized, executed and delivered by Buyer and this Agreement constitutes, and each of the Ancillary Documents constitutes or will upon execution and delivery constitute, the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms.

(c) Fees. Buyer is not obligated to pay, and has not retained any broker or finder or any other person or entity who is entitled to, any broker's or finder's fee or any other commission or financial advisory fee based on any agreement or undertaking made by Buyer in connection with the transactions contemplated hereby. Seller shall not, through the transfer of the Purchased Assets or otherwise, have any obligations in respect of any such fees or commissions.

(d) Accuracy of Information; Full Disclosure. To the knowledge of Buyer, none of the representations and warranties of Buyer in this Agreement nor in any Ancillary Document to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading

ARTICLE IV

COVENANTS AND OTHER AGREEMENTS

4.1. Line of Credit. Concurrently with the Closing of the transactions set forth herein, Seller provide Purchase with a one year \$250,000 line of credit pursuant to the terms of the Line of Credit Agreement attached hereto as Exhibit B (the "Line of Credit") with interest to accrue at the rate of 6% per annum. Any outstanding balances at the one year maturity date shall be payable pursuant to a promissory note issued at the maturity date, with a interest to accrue at the rate of 6% per annum, payable in 60 equal monthly payments of principal and interest commencing with the month following the issuance date of said note (the "Line of Credit Note").

4.2. Option Vesting. Concurrently with the Closing of the transactions set forth herein, Seller shall vest all common stock purchase options issued by Seller to Temple pursuant to the terms of Temple's employment agreement with Seller.

4.3. CMS Cargo. Seller shall provide Buyer with a limited one year license to use Seller's CMS Cargo software (the "Software") free of charge commencing with the Closing Date, provided, however, that Buyer acknowledges that Seller shall have no obligation to update the Software or provide support with respect to the Software, and that Seller shall not be liable in any manner for any damages or losses in any way related to the Software or Buyer's use thereof.

4.4. Release of Earn-Out Obligations. Buyer and Temple hereby release Seller from any and all earn-out obligations of Seller under the certain Asset Purchase Agreement between Seller, Temple, and Temple Trucking Services, Inc., dated November 22, 2005. The foregoing release shall be effective as of the Closing Date.

4.5. Further Assurances. Each of the parties agrees at any time and from time to time after the date hereof, at the request of the other party hereto, to execute and deliver such other documents and instruments of transfer or assignment or assumption and to do all such further acts and things as shall reasonably be necessary or desirable to effectuate the transactions contemplated hereby, including, but not limited to, issues related to collections of accounts receivable, transfer of expenses, transfer of titles, etc.

ARTICLE V

INDEMNIFICATION

5.1. Losses and Limitation. For purposes of this Agreement, the term “Loss” or “Losses” shall mean each and all of the following items: claims, losses, liabilities, obligations, payments, damages, judgments, fines, penalties, amounts paid in settlement, and any related reasonable costs and expenses (including, without limitation, interest which may be imposed in connection therewith, costs and expenses of investigation, actions, suits, proceedings, demands, assessments and reasonable fees and disbursements of counsel and other experts) incurred by the person or entity seeking indemnification (the “Indemnitee”) (whether relating to claims asserted by or against third parties or to claims asserted against the party providing indemnification (the “Indemnitor”). In the event there is a determination by any court of competent jurisdiction, appropriate regulatory body or alternative dispute resolution entity so authorized to make such determination, which shall make a finding apportioning liability, each party shall accordingly be liable to the extent of such finding of apportionment.

5.2. Indemnification by Seller. From and after the Closing Date, Seller shall indemnify and hold harmless Buyer, its affiliates, and their respective officers, directors, employees, agents, consultants, representatives and successors (collectively, the “Buyer Indemnified Group”) from and against any and all Losses incurred by any of them arising out of or resulting from any of the following:

- (a) the breach by Seller of any of its representations or warranties in this Agreement; and
- (b) any failure by Seller to perform any of its covenants or agreements contained in this Agreement.

provided, however, that in no event shall the Seller be obligated to indemnify the Buyer Indemnified Group (or any member thereof) for any Losses suffered by them in excess of \$250,000 in the aggregate with regard to all claims for indemnification hereunder.

5.3. Indemnification by Buyer. From and after the Closing Date, Buyer shall indemnify and hold harmless Seller, its affiliates, and their respective officers, directors, employees, agents, consultants, representatives and successors (collectively, the “Seller Indemnified Group”) from and against any and all Losses incurred by any of them arising out of or resulting from any of the following:

- (a) the breach by Buyer of any of its representations or warranties in this Agreement;
- (b) any failure by Buyer to perform any of its covenants or agreements contained in this Agreement;

(c) any failure by Buyer to pay, perform or discharge when due any of the Assumed Liabilities; or

(d) the conduct of the business of the Buyer after the Closing Date.

5.4. Procedure for Indemnification. In the event that any Indemnitee shall incur or suffer any Losses in respect of which indemnification may be sought hereunder by Seller, on the one hand, or Buyer, on the other hand, the Indemnitee shall assert a claim for indemnification by written notice (the "Notice") to the Indemnitor stating the nature and basis of such claim. Promptly after receipt by an Indemnitee of written notice of the assertion of a claim or the commencement of any action, litigation or proceeding by any third party (a "Third-Party Claim") with respect to any matter for which indemnification is or may be owing pursuant to Section 5.2 or 5.3, the Indemnitee shall give Notice to the Indemnitor and shall thereafter keep the Indemnitor informed of all other information it receives with respect thereto; provided, that failure of the Indemnitee to give the Indemnitor prompt notice and such other information as provided herein shall not relieve the Indemnitor of any of its obligations hereunder unless and then only to the extent that the Indemnitor shall have been actually prejudiced thereby. Buyer and Seller each agree to cooperate and will cause each Indemnitee to cooperate with and render such assistance as may reasonably be requested in order to insure the proper and adequate defense of any such Third-Party Claim or proceeding, which assistance shall include, without limitation, making appropriate personnel reasonably available for any discovery or trial. If the Indemnitor fails or refuses to undertake the defense of any such Third-Party Claim within thirty (30) days after delivery of the Notice, the Indemnitee shall have the right to take exclusive control of the defense, negotiation and/or settlement of such Third-Party Claim at the Indemnitor's expense. The Indemnitor shall not settle or compromise any Third-Party Claim without the consent of the Indemnitee, which consent shall not be unreasonably withheld or delayed (it being understood and agreed that it shall not be unreasonable to withhold consent if the settlement does not provide for an unconditional release of the Indemnitee from all liabilities or obligations relating to the Third-Party Claim).

5.5. Payment. With respect to Third-Party Claims for which indemnification is payable under this Agreement, such indemnification shall be paid by the Indemnitor promptly upon (i) the entry of a final judgment against the Indemnitee and the expiration of any applicable appeal period; (ii) the entry of a non-appealable judgment or final appellate decision against the Indemnitee; (iii) the entering into of any settlement agreement in accordance with the provisions of this Article V (or at such other time or times as shall permit compliance with the terms of such settlement agreement); or (iv) the entry of any consent order or decree binding upon the Indemnitee. Notwithstanding the foregoing, reasonable expenses of the Indemnitee which constitute Losses hereunder shall be reimbursed on a current basis by the Indemnitor.

## ARTICLE VI

### MISCELLANEOUS

6.1. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral and written, between the parties hereto, with respect to such subject matter, all of which are merged herein.

6.2. Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Jury Trial. This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of the State of Florida without regard to the conflict of law principles thereof. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, or in respect of the transactions contemplated thereby, whether in tort or contract or at law or in equity, exclusively in the courts of the State of Florida located in Broward County or in the federal courts of the United States of America located in Southeastern District of Florida (the "Chosen Courts"). Solely in connection with such actions, proceedings and claims, the parties irrevocably submit to the jurisdiction of the chosen courts, and agree not to assert as a defense in any such action, suit or proceeding that such party is not subject to the jurisdiction of the chosen courts, that such action, proceeding or claim may not be brought or is not maintainable in the chosen courts, that venue is not appropriate in the chosen courts, or that this Agreement may not be enforced in the chosen courts. Each of the parties agrees that service of process or other papers upon such party in any such action or proceeding shall be effective if notice is given in accordance with the provisions on notice contained in this Agreement. Each party acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement.

6.3. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which, when together, shall constitute one and the same instrument.

6.4. Successors and Assigns; Third Party Beneficiaries. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto; provided, however, that this Agreement may not be assigned by Buyer without the prior written consent of Seller. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under this Agreement on any person or entity other than Buyer, Seller, or Temple, and their respective successors and permitted assigns.

6.5. Modification and Waiver. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by each of the parties hereto, except that any of the terms or provisions of this Agreement may be waived in writing at any time by the party entitled to the benefits of such

waived terms or provisions. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No delay on the part of any party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege.

6.6. Notices. Any notice, request, claim, instruction or other document to be given hereunder by any party hereto to any other party shall be in writing and delivered personally or sent by registered or certified mail (postage prepaid return receipt requested),

If to Seller, to:

Segmentz, Inc.  
18302 Highwoods Preserve Parkway  
Tampa, Florida 33647  
Attn: Andrew Norstrud

with a copy to:

Adorno & Yoss, P.A.  
Attn: Clint J. Gage  
350 East Las Olas Blvd., Suite 1700  
Fort Lauderdale, FL 33301

If to Buyer or Temple, to:

Paul Temple  
TTSI Holdings, Inc.  
P.O. Box 421078  
Indianapolis, Indiana 46242

with a copy to:

Thomas L. Landwerlen, Esq.  
Landwerlen & Rothkopf, L.L.P.  
244 N. College Avenue  
Indianapolis, Indiana 46202

or at such other address for a party as shall be specified by like notice. Any notice which is delivered in the manner provided herein shall be deemed to have been duly given to the party to whom it is directed upon actual receipt by such.

6.7. Severability. If any provision of this Agreement or the application of any such provision to any person or circumstances shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not effect any other provision hereof and this Agreement shall remain in force and be effectuated as if such illegal, invalid or unenforceable provision is not part of this Agreement.

6.8. Enforcement. Should it become necessary for any party to institute legal action to enforce the terms and conditions of this Agreement, the successful party will be awarded reasonable attorneys' fees at all trial and appellate levels, expenses and costs.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Segmentz, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TTSI Holdings, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Paul Temple

With respect to the provisions of §4.5 only:

Temple Trucking Services, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Name: \_\_\_\_\_

Schedule 1.1

Purchased Assets

1. Cash accounts in the amount of \$225,250.

2.

<u>Location</u>	<u>Unit Number</u>	<u>Year</u>	<u>Model</u>	<u>Description</u>
INDBAX				Scanning Station
INDBAX				Pallet Jack
INDBAX	96766	96	Int	Tractor
INDBAX	97980	97	Int	Tractor
INDBAX	102	99	GMC	Van
INDBAX	56	99	GMC	Van
INDBAX	103	99	GMC	Van
IND ADMIN				2 Forklift
IND ADMIN				5 Pallet Jacks
ASW				Scanning Station
ASW	106	2000	Ford	Van
ASW	94003	94		Trailer
ASW	94004	94		Trailer
CMI	105	2000	Ford	Van
CMI				Forklift
CMI				Forklift
SDF				Scanning Station
SDF				Phone System
SDF				Old Computers
SDF				Racking
SDF	97977	97	Int	Tractor
SDF	96569	96	Int	Tractor
SDF	101	2000	GMC	Van
SDF	104	99	GMC	Van
SDF	211545	98	Int	Straight Truck
SDF	211546	98	Int	Straight Truck
SDF	215710	98	Int	Straight Truck
SDF	224628	99	Int	Straight Truck
SDF	99808	99	GMC	Cube Truck
SDF	561686	200	Freightliner	Straight Truck
SDF	7054	98	Utility	Trailer

Misc office equipment and supplies

Assumed Liabilities

## 1. Employment Agreements with the following employees:

- a. Paul Temple
- b. Erinn M. Owen
- c. Kenneth B. Crady
- d. Thomas F. Lark
- e. Cynthia A. Blankenship

## 2. The following facility leases:

- a. Dugan Reality, LLC – Indianapolis, IN
- b. Greenstreet Realty – Urbana, IL
- c. Roger A. Bair – Warsaw, IN
- d. Walter G. Howard Family Trust – Louisville, KY
- e. Bax Global – Louisville, KY
- f. Bax Global – Indianapolis, IN

## 3. The following equipment leases:

Lessor: Speedway International Trucks, Inc.  
5730 Fortune Circle W. Drive  
Indianapolis, IN 46241

## Trucks

<u>Lease #</u>	<u>Schedule A #</u>	<u>Vehicles</u>	<u>Term</u>	<u>In Service Date</u>
T001	001	6222 (replaced #6339)	48 months	02/06/02
T001	002	8435	60 months	06/01/02
T001	003	6007, 6008	48 months	11/15/02
T001	004	7598, 7599	48 months	12/15/02

Full Maintenance Leases – Trucks

<u>Vehicle</u>	<u>Term</u>	<u>In Service Date</u>
529	60 months	03/21/01
531	60 months	03/23/01
533	60 months	03/21/01
532	60 months	04/16/01
528	60 months	04/19/01
527	60 months	05/04/01
530	60 months	04/06/01
635	60 months	08/23/01
632	60 months	08/13/01
633	60 months	08/13/01
634	60 months	08/13/01
630	60 months	08/17/01
631	60 months	08/17/01
4051	60 months	06/05/03
4052	60 months	06/05/03
7451	60 months	12/23/03
7452	60 months	12/23/03
7453	60 months	01/08/04
7454	60 months	01/08/04
4850	60 months	01/19/04
7455	60 months	02/05/04

Lessor: Uhl Idealease  
 635 Park E. Blvd  
 New Albany, IN 47150

<u>Schedule A #</u>	<u>Vehicles</u>	<u>Term</u>	<u>In Service Date</u>
A1	321540	36 months	02/16/02

Lessor: XTRA Lease, Inc.  
 1801 Park 270 Drive 400  
 St. Louis. MO 63146-4020

<u>Vehicle #</u>	<u>Term</u>	<u>In Service Date</u>
Lease Agreement: 065L159		
Schedule A-1		
U47173	36 months	11/03/03
U47174	36 months	10/13/03
U47176	36 months	11/06/03
U47177	36 months	11/07/03
U47178	36 months	11/10/03
U47175	36 months	11/04/03
Schedule A-2		
U31233	36 months	07/01/03
U31309	36 months	06/11/03
Schedule A-3		
394612	18 months	06/06/03

Lessor: Dell Financial Services L.P.  
 One Dell Way  
 Round Rock, TX 78682

<u>Lease #</u>	<u>Term</u>	<u>Lease Date</u>	<u>Equipment</u>
003-006103379-001	36 months	09/06/02	(6) Desktop computers (3) Laptop computers
003-006103379-002	36 months	05/29/03	(6) Desktop computers (1) Laptop computer

Lessor: Great America Leasing Corp  
P. O. Box 609  
Cedar Rapids, IA 52406-0609

<u>Lease #</u>	<u>Term</u>	<u>Lease Date</u>	<u>Equipment</u>
208262	60 months	05/29/03	Toshiba CTX phone system

Lessor: Lanier Worldwide  
2200 Parklane Drive NE  
Atlanta, GA 30348

<u>Lease #</u>	<u>Term</u>	<u>Lease Date</u>	<u>Equipment</u>
3220798	60 months	12/23/02	Lanier model 2138 Network printer/fax/scanner

Lessor: Lanier Worldwide  
4667 N. Royal Atlanta Dr.  
Tucker, GA 30084

<u>Lease #</u>	<u>Term</u>	<u>Lease Date</u>	<u>Equipment</u>
001-0111779-095	60 months	8/22/03	Lanier model LD 035 Network printer/fax

Lessor: IOS Capital  
IKON Financial Services  
P. O. Box 9115  
Macon, GA 31208-9115

<u>Lease #</u>	<u>Term</u>	<u>Lease Date</u>	<u>Equipment</u>
A75664	60 months	05/23/02	Cannon Image Runner Copier/fax network printer

Promissory Note

Line of Credit Promissory Note

**PROMISSORY NOTE**

July 1, 2005

1. **Amount; Obligation to Pay; Interest Rate.** FOR VALUE RECEIVED, as hereinafter set forth and at the times hereinafter stated, TTSI Holdings Inc., an Indiana corporation (the "Maker"), whose mailing address is P.O. 421078, Indianapolis, Indiana 46242, promises to pay to the order of Segmentz, Inc. (the "Payee"), whose mailing address is 18302 Highwoods Preserve Parkway, Tampa, Florida 33647, the principal amount of \$105,000.

2. **Asset Purchase Transaction.** This Note is issued in connection with that certain Asset Purchase Agreement between Maker and Payee of even date herewith (the "Asset Purchase Agreement").

3. **Interest Rate.** Interest shall accrue on the unpaid principal balance of this Note from the date of issuance until paid in full at the rate of six percent (6%) per year, calculated on a 365 day year, provided, however, that upon an Event of Default interest shall accrue as provided in Paragraph 8 hereof

4. **Security.** Maker's obligations under this Note are secured by the grant of a security interest in Maker's accounts receivable and in the assets acquired by Maker in the transactions set forth in the Asset Purchase Agreement, pursuant to the terms of a security agreement dated even herewith between Maker and Payee.

5. **Terms.** This Note shall be paid in 60 equal monthly payments of principal and interest, commencing on July 1, 2006 and continuing monthly thereafter until the final payment on June 1, 2011 (the "Maturity Date"). Maker may prepay all or any part of interest or principal without penalty.

6. **Place of Payment; Holidays.** All payments on this Note shall be made to Payee at the address stated above, or at such other address as Payee shall designate in writing. If the prescribed date of payment of any of the principal or interest hereon is a Saturday, Sunday or legal holiday, such payment shall be due on the next succeeding business day.

7. **Events of Default and Acceleration.** The occurrence of any of the following events shall constitute an "Event of Default" hereunder: (i) Maker's failure to pay timely any amount due hereunder; or (ii) bankruptcy, reorganization, insolvency or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Maker and, if instituted against Maker, Maker shall by any action or answer approve of, consent to or acquiesce in any such proceedings or admit the material allegations of, or default in answering a petition filed in any such proceeding or such proceedings shall not be dismissed within ninety (90) calendar days thereafter; or (iii) any breach by Maker of any of the terms of this Note, the Security Agreement, the Asset Purchase Agreement, or any of the documents or agreements executed in connection with the transactions set forth therein. If any such Event of Default occurs, Payee may, then or at any time thereafter, at its option, accelerate maturity and cause the entire unpaid principal balance of this Note, with interest, fees and charges accrued hereon, to become immediately due and payable. If Payee waives Payee's

right to accelerate maturity as a result of an Event of Default hereunder, either one or more time or repeatedly, nevertheless Payee shall not be deemed to have waived the right to require strict compliance with the terms of this Note thereafter.

8. **Interest After Event of Default, Acceleration or Maturity.** Upon an occurrence of an Event of Default hereunder, the entire unpaid balance of said principal sum and interest then accrued shall bear interest, while such Event of Default continues both before and after judgment, at twelve percent (12%) per year on the unpaid balance until paid, calculated on a 365 day year.

9. **Attorney's Fees and Expenses.** In the event that Payee or other holder of this Note brings suit hereon, or employs an attorney or incurs expenses to compel payment of this Note or any portion of the indebtedness evidenced hereby, or to cure any Event of Default under this Note, whether through suit, probate, insolvency, reorganization, bankruptcy or any other legal or informal proceeding, the Maker agrees additionally to pay all reasonable attorney's fees, court costs and other reasonable expenses thereby incurred by Payee or other holder of this Note.

10. **Waiver.** Except as may be required by law, Maker hereby expressly (i) waives all protest, notice of protest, demand for payment, presentment for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of dishonor, bringing of suit, and diligence in taking any action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith; (ii) consents to and waives notice of any one or more renewals, extensions or modifications of this Note, whether made to or in favor of the Maker or any other person or persons, regardless whether such renewal, extension or modification modifies the terms, interest rate or time for payment of the Note and regardless of the length of term of the renewal, extension or modification; (iii) consents to and waives notice of any substitution, exchange or release of any security hereafter given for this Note; (iv) consents to and waives notice of the release of any party primarily or secondarily liable hereon; (v) consents to and waives notice of any other indulgences, none of which shall otherwise affect the liability of any of said parties for the indebtedness evidenced by this Note; and (vi) agrees that it will not be necessary for Payee, in order to enforce payment of this Note, first to institute suit against or to exhaust Payee's remedies against Maker or any other party liable hereunder, or to proceed against any other security for this Note.

11. **Parties in Interest.** This Note may not be assigned by Maker or Payee without the prior written consent of the other party. This Note will be binding in all respects upon Maker and inure to the benefit of Payee and its permitted successors and assigns.

12. **Definitions.** The terms "Maker" and "Payee" and other nouns and pronouns include the singular and/or the plural, as appropriate. The terms "Maker" and "Payee" also include their respective heirs, personal representatives, permitted successors and assigns. The term "Payee" includes subsequent permitted holders of this Note. Where the Maker is a partnership or joint venture, the term "Maker" also includes each partner or joint venturer in such party's personal capacity.

13. **Choice of Law; Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in

accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Orange County, Florida. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Orange County, Florida for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence a proceeding to enforce any provisions of this Note, then the prevailing party in such proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such proceeding.

14. **Notice.** All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given one (1) business day after receipt, or, if sent by facsimile, upon receipt of a confirmation of delivery.

**THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

**THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

IN WITNESS WHEREOF, Maker has executed this Note effective as of the date first set forth above.

MAKER:

TTSI Holdings Inc.  
Paul Temple  
President

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

LINE OF CREDIT PROMISSORY NOTE

July 1, 2005

FOR VALUE RECEIVED, as hereinafter set forth and at the times hereinafter stated, TTSI Holdings Inc., a Indiana corporation (the "Maker"), whose mailing address is P.O. 421078 Indianapolis, Indiana 46242, hereby agrees as with Segmentz, Inc. (the "Payee"), whose mailing address is 18302 Highwoods Preserve Parkway, Tampa, Florida 33647, as follows:

1. **Advances.** Payee will advance to Maker up to \$250,000 between July 1, 2005 and June 30, 2006. No additional advances will be requested or made after June 30, 2006. Advances hereunder will be made by Payee upon receipt of the written request of the Chief Executive Officer of Maker (or such other person(s) as Maker may expressly authorize in writing), who is authorized to request advances and direct the disposition of any such advances until written notice of the revocation of such authority is received by Payee at the address designated above. Any such advances will be conclusively presumed to have been made to or for the benefit of Maker. Such advance requests shall be funded within five (5) business days of any request.

2. **Asset Purchase Transaction.** This Note is issued in connection with that certain Asset Purchase Agreement between Maker and Payee of even date herewith (the "Asset Purchase Agreement").

3. **Interest Rate.** Interest shall accrue on the unpaid advanced principal of this Note from the date of such advance(s) until paid in full at the rate of six percent (6%) per year, calculated on a 365 day year, provided, however, that upon an Event of Default interest shall accrue as provided in Paragraph 8 hereof

4. **Security.** Maker's obligations under this Note are secured by the grant of a security interest in Maker's accounts receivable and in the assets acquired by Maker in the transactions set forth in the Asset Purchase Agreement, pursuant to the terms of a security agreement dated even herewith between Maker and Payee.

5. **Terms.** This Note shall be paid in 60 equal monthly payments of principal and interest, commencing on July 1, 2006 and continuing monthly thereafter until the final payment on June 1, 2011 (the "Maturity Date"). Maker may prepay all or any part of interest or principal without penalty.

6. **Place of Payment; Holidays.** All payments on this Note shall be made to Payee at the address stated above, or at such other address as Payee shall designate in writing. If the prescribed date of payment of any of the principal or interest hereon is a Saturday, Sunday or legal holiday, such payment shall be due on the next succeeding business day.

7. **Events of Default and Acceleration.** The occurrence of any of the following events shall constitute an "Event of Default" hereunder: (i) Maker's failure to pay timely any amount due hereunder; or (ii) bankruptcy, reorganization, insolvency or liquidation proceedings

or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against Maker and, if instituted against Maker, Maker shall by any action or answer approve of, consent to or acquiesce in any such proceedings or admit the material allegations of, or default in answering a petition filed in any such proceeding or such proceedings shall not be dismissed within ninety (90) calendar days thereafter; or (iii) any breach by Maker of any of the terms of this Note, the Security Agreement, the Asset Purchase Agreement, or any of the documents or agreements executed in connection with the transactions set forth therein. If any such Event of Default occurs, Payee may, then or at any time thereafter, at its option, accelerate maturity and cause the entire unpaid principal balance of this Note, with interest, fees and charges accrued hereon, to become immediately due and payable. If Payee waives Payee's right to accelerate maturity as a result of an Event of Default hereunder, either one or more time or repeatedly, nevertheless Payee shall not be deemed to have waived the right to require strict compliance with the terms of this Note thereafter.

8. **Interest After Event of Default, Acceleration or Maturity.** Upon an occurrence of an Event of Default hereunder, the entire unpaid balance of said principal sum and interest then accrued shall bear interest, while such Event of Default continues both before and after judgment, at twelve percent (12%) per year on the unpaid balance until paid, calculated on a 365 day year.

9. **Attorney's Fees and Expenses.** In the event that Payee or other holder of this Note brings suit hereon, or employs an attorney or incurs expenses to compel payment of this Note or any portion of the indebtedness evidenced hereby, or to cure any Event of Default under this Note, whether through suit, probate, insolvency, reorganization, bankruptcy or any other legal or informal proceeding, the Maker agrees additionally to pay all reasonable attorney's fees, court costs and other reasonable expenses thereby incurred by Payee or other holder of this Note.

10. **Waiver.** Except as may be required by law, Maker hereby expressly (i) waives all protest, notice of protest, demand for payment, presentment for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of dishonor, bringing of suit, and diligence in taking any action to collect any amounts called for hereunder and in the handling of properties, rights or collateral at any time existing in connection herewith; (ii) consents to and waives notice of any one or more renewals, extensions or modifications of this Note, whether made to or in favor of the Maker or any other person or persons, regardless whether such renewal, extension or modification modifies the terms, interest rate or time for payment of the Note and regardless of the length of term of the renewal, extension or modification; (iii) consents to and waives notice of any substitution, exchange or release of any security hereafter given for this Note; (iv) consents to and waives notice of the release of any party primarily or secondarily liable hereon; (v) consents to and waives notice of any other indulgences, none of which shall otherwise affect the liability of any of said parties for the indebtedness evidenced by this Note; and (vi) agrees that it will not be necessary for Payee, in order to enforce payment of this Note, first to institute suit against or to exhaust Payee's remedies against Maker or any other party liable hereunder, or to proceed against any other security for this Note.

11. **Parties in Interest.** This Note may not be assigned by Maker or Payee without the prior written consent of the other party. This Note will be binding in all respects upon Maker and inure to the benefit of Payee and its permitted successors and assigns.

12. **Definitions.** The terms “Maker” and “Payee” and other nouns and pronouns include the singular and/or the plural, as appropriate. The terms “Maker” and “Payee” also include their respective heirs, personal representatives, permitted successors and assigns. The term “Payee” includes subsequent permitted holders of this Note. Where the Maker is a partnership or joint venture, the term “Maker” also includes each partner or joint venturer in such party’s personal capacity.

13. **Choice of Law; Venue.** All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Note (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Orange County, Florida. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Orange County, Florida for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence a proceeding to enforce any provisions of this Note, then the prevailing party in such proceeding shall be reimbursed by the other party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such proceeding.

14. **Notice.** All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given one (1) business day after receipt, or, if sent by facsimile, upon receipt of a confirmation of delivery.

**THIS NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.**

**THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

IN WITNESS WHEREOF, Maker has executed this Note effective as of the date first set forth above.

MAKER:

TTSI Holdings Inc.  
Paul Temple  
President

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (the "Agreement") dated July 1, 2005, is by and among TTSI Holdings Inc., an Indiana corporation ("the "Debtor") and Segmentz, Inc., a Delaware corporation (the "Secured Party").

**WITNESSETH:**

WHEREAS, the Secured Party has extended loans to Debtor concurrently herewith pursuant to the terms of a promissory note issued by Debtor to Secured Party in the principal amount of \$105,000 (the "1<sup>st</sup> Note") and a line of credit promissory note issued by Debtor to Secured Party in the principal amount of up to \$250,000 (the "2<sup>nd</sup> Note" and together with the 1<sup>st</sup> Note the "Notes"); and

WHEREAS, in order to induce the Secured Party to extend the loans evidenced by the Notes, the Debtor has agreed to execute and deliver to the Secured Party this Agreement to grant the Secured Party a security interest in certain property of the Debtor to secure the prompt payment, performance and discharge in full of all of the Debtor's obligations under the Notes.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

**1. Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "receivables" and "proceeds") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Collateral" means the collateral in which the Secured Party is granted a security interest by this Agreement and which shall include the following, whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith:

(i) All assets of Debtor set forth on the attached Schedule 1(a)(i), together with all documents of title and documents representing the same, all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing and all improvements thereto (collectively, the "Purchase Assets"); and

(ii) All receivables of the Debtor including all insurance proceeds, and rights to refunds or indemnification whatsoever owing,

together with all instruments, all documents of title representing any of the foregoing, all rights in any merchandising, goods, and equipment which any of the same may represent, and all right, title, security and guaranties with respect to each receivable; and

(iii) All products and proceeds of all of the foregoing Collateral set forth in clauses (i) and (ii) above.

(b) "Obligations" means all of the Debtor's obligations under this Agreement and the Notes, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time.

(c) "UCC" means the Uniform Commercial Code of the State of Florida.

**2. Grant of Security Interest.** As an inducement for the Secured Party to extend the loans as evidenced by the Notes and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, the Debtor hereby, unconditionally and irrevocably, pledges, grants and hypothecates to the Secured Party, a continuing security interest in, a lien upon and a right of set-off against all of its right, title and interest of whatsoever kind and nature in and to the Collateral (the "Security Interest").

**3. Representations, Warranties, Covenants and Agreements of the Debtor.** The Debtor represents and warrants to, and covenants and agrees with, the Secured Party as follows:

(a) The Debtor has the requisite corporate power and authority to enter into this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by the Debtor of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Debtor and no further action is required by the Debtor.

(b) The Debtor represents and warrants that it has no place of business or offices where its books of account and records are kept other than 5601 Fortune Circle South Drive, Suite S, Indianapolis, Indiana 46241 (the "Executive Office").

(c) The Debtor is the sole owner of the Collateral, free and clear of any liens, security interests, encumbrances, rights or claims, and is fully authorized to grant the Security Interest in and to pledge the Collateral. There is

not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that have been filed in favor of the Secured Party pursuant to this Agreement) covering or affecting any of the Collateral. So long as this Agreement shall be in effect, Debtor shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured party pursuant to the terms of this Agreement).

(d) This Agreement creates in favor of the Secured Party a valid security interest in the Collateral securing the payment and performance of the Obligations and, upon making the filings described in the immediately following sentence, a perfected security interest in such Collateral. Except for the filing of financing statements pursuant to the UCC with the proper filing and recording agencies, no authorization or approval of or filing with or notice to any governmental authority or regulatory body is required either (i) for the grant by the Debtor of, or the effectiveness of, the Security Interest granted hereby or for the execution, delivery and performance of this Agreement by the Debtor or (ii) for the perfection of or exercise by the Secured Party of its rights and remedies hereunder.

(e) No part of the Collateral has been judged invalid or unenforceable. No written claim has been received that any Collateral or Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(f) The execution, delivery and performance of this Agreement by the Debtor does not conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing Debtor's debt or otherwise) or other understanding to which Debtor is a party or by which any property or asset of the Debtor is bound or affected. No consent (including, without limitation, from stock holders or creditors of the Debtor) is required for the Debtor to enter into and perform its obligations hereunder.

(g) The Debtor shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected liens and security interests in the Collateral in favor of the Secured Parties until this Agreement and the Security Interest hereunder shall be terminated. The Debtor hereby agrees to

defend the same against any and all persons. The Debtor shall safeguard and protect all Collateral for the account of the Secured Party. At the request of the Secured Party, the Debtor will sign and deliver to the Secured Party at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Secured Party and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Secured Party to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interest hereunder, and the Debtor shall obtain and furnish to the Secured Party from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest hereunder.

(h) The Debtor will not transfer, pledge, hypothecate, encumber, license (except for non-exclusive licenses granted by debtor in its ordinary course of business and sales of inventory), sell or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party.

(i) The Debtor shall, within two (2) days of obtaining knowledge thereof, advise the Secured Party promptly, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Party's security interest therein.

(j) The Debtor shall promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Secured Party may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce its security interest in the Collateral.

(k) The Debtor shall at all times maintain the Collateral, and its books of account and records relating to the Collateral, at the Executive Office, and may not relocate such books of account and records or tangible Collateral unless they deliver to the Secured Parties at least 30 days prior to such relocation written notice of such relocation and the new location thereof (which must be within the United States).

(l) The Debtor shall keep and preserve its tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(m) The Debtor shall permit the Secured Party and its representatives and agents to inspect the Collateral at any time, and to make copies of records pertaining to the Collateral as may be requested by a Secured Party from time to time.

(n) The Debtor shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(o) The Debtor shall promptly notify the Secured Parties in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(p) All information heretofore, herein or hereafter supplied to the Secured Parties by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(q) The Debtor shall at all times preserve and keep in full force and effect its existence and good standing and any rights and franchises material to its business.

(r) The Debtor will not change its name, corporate structure, or identity, or add any new fictitious name unless it provides at least 30 days prior written notice to the Secured Party of such change and, at the time of such written notification, such Debtor provides any financing statements or fixture filings necessary to perfect and continue perfected the Security Interest granted and evidenced by this Agreement.

(s) The Debtor may relocate its Executive Office to a new location only upon providing 30 days prior written notification thereof to the Secured Party.

**4. Defaults.** The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in either Note) under either Note;

(b) Any representation or warranty of debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by a Debtor to observe or perform any of its obligations hereunder; or

(d) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by Debtor, or a proceeding shall be commenced by Debtor, or by any

governmental authority having jurisdiction over Debtor, seeking to establish the invalidity or unenforceability thereof, or Debtor shall deny that Debtor has any liability or obligation purported to be created under this Agreement.

**5. Duty to Hold In Trust.** Upon the occurrence of any Event of Default and at any time thereafter, the Debtor shall, upon receipt of any revenue, income or other sums subject to the Security Interest, whether payable pursuant to the Notes or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Party and shall forthwith endorse and transfer any such sums or instruments, or both, to the Secured Party for application to the satisfaction of the Obligations.

**6. Rights and Remedies upon Default.** Upon the occurrence and during the continuance of any Event of Default, the Secured Party shall have the right to exercise all of the remedies conferred hereunder and under the Notes, and the Secured Party shall have all the rights and remedies of a secured party under the UCC. Without limitation, the Secured Party shall have the following rights and powers:

(a) The Secured Party shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Debtor shall assemble the Collateral and make it available to the Secured Party at places which the Secured Party shall reasonably select, whether at the Debtor's premises or elsewhere, and make available to the Secured Party, without rent, all of the Debtor's respective premises and facilities for the purpose of the Secured Party taking possession of, removing or putting the Collateral in saleable or disposable form.

(b) The Secured Party shall have the right to operate the business of the Debtor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Secured Party may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Debtor or right of redemption of debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Debtor, which are hereby waived and released.

**7. Applications of Proceeds.** The proceeds of any such sale, lease or other disposition of the Collateral hereunder shall be applied first to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including,

without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Secured Party in enforcing its rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which the Secured Party shall pay to the applicable Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Party is legally entitled, the Debtor will be liable for the deficiency.

**8. Responsibility for Collateral.** The Debtor assumes all liabilities and responsibility in connection with all Collateral, and the Obligations will in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason.

**9. Term of Agreement.** This Agreement and the Security Interest shall terminate on the date on which all payments under the Notes have been made in full or have been satisfied and all other Obligations have been paid or discharged. Upon such termination, the Secured Party will join in executing any termination statement with respect to any financing statement executed and filed pursuant to this Agreement.

**10. Costs and Expenses.** The Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Party. The Debtor shall also pay all other claims and charges which in the reasonable opinion of the Secured Party might prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. The Debtor will also, upon demand, pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Party under the Notes.

**11. Security Interest Absolute.** All rights of the Secured Party and all Obligations of the Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Notes or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Notes or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by the Secured Party to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other

circumstance which might otherwise constitute any legal or equitable defense available to debtor, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Party shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Party hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Party, then, in any such event, the Debtor's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Debtor waives all right to require the Secured Party to proceed against any other person or to apply any Collateral which the Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. The Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

**12. Power of Attorney; Further Assurances.**

(a) The Debtor authorizes the Secured Party, and does hereby make, constitute and appoint the Secured Party and its officers, agents, successors or assigns with full power of substitution, as the Debtor's true and lawful attorney-in-fact, with power, in the name of the Secured Party or the Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Secured Party; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (v) generally, to do, at the option of the Secured Party, and at the expense of the Debtor, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein in order to effect the intent of this Agreement and the Notes all as fully and effectually as the Debtor might or could do; and the Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) The Debtor hereby irrevocably appoints the Secured Party as the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor, from time to time in the Secured Party's discretion, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Debtor where permitted by law.

**13. Miscellaneous.**

(a) No course of dealing between the Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under the Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Party with respect to the Collateral, whether established hereby or by the Notes or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Agreement, no provision of this Agreement may be modified or amended except by a written agreement specifically referring to this Agreement and signed by the parties hereto.

(d) In the event that any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

(f) This Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of the State of Florida without regard to the conflict of law principles thereof. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, or in respect of the transactions contemplated thereby, whether in tort or contract or at law or in equity, exclusively in the courts of the State of Florida located in Broward County or in the federal courts of the United States of America located in Southeastern District of Florida (the "Chosen Courts"). Solely in connection with such actions, proceedings and claims, the parties irrevocably submit to the jurisdiction of the chosen courts, and agree not to assert as a defense in any such action, suit or proceeding that such party is not subject to the jurisdiction of the chosen courts, that such action, proceeding or claim may not be brought or is not maintainable in the chosen courts, that venue is not appropriate in the chosen courts, or that this Agreement may not be enforced in the chosen courts. Each of the parties agrees that service of process or other papers upon such party in any such action or proceeding shall be effective if notice is given in accordance with the provisions on notice contained in this Agreement. Each party acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement.

(i) All notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given one (1) business day after delivery to an overnight carrier, or, if sent by facsimile, upon receipt of a confirmation of delivery:

If to Debtor: Paul Temple  
TTSI Holdings Inc.  
P.O. Box 421078  
Indianapolis, Indiana 46242

If to Secured Party: Segmentz, Inc.  
18302 Highwoods Preserve Parkway  
Tampa, Florida 33647  
Attn: Andrew Norstrud

Copy to: Adorno & Yoss, P.A.  
350 East Las Olas Boulevard, Suite 1700  
Fort Lauderdale, Florida 33301  
Attn: Clint J. Gage

Landwerlen & Rothkopf  
244 North College Avenue  
Indianapolis, Indiana 46202  
Attn: Thomas L. Landwerlen

(j) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

[SIGNATURES ON FOLLOWING PAGE]

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

Segmentz, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Paul Temple  
TTSI Holdings Inc.  
President

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TERMINATION AGREEMENT**

This Termination Agreement ("Agreement") is made as of June 29, 2005 between Segmentz, Inc, a Delaware corporation (the "Company") and Andrew Norstrud (the "Employee").

**BACKGROUND**

- A. The Company and the Employee executed and delivered that certain Executive Employment Agreement (the "Employment Agreement") dated July 12, 2004 setting forth the terms of the Company's employment of the Employee as the Company's Chief Financial Officer;
- B. The Company and the Employee desire to terminate the Employment Agreement pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Background.** The foregoing background facts are true, correct and complete and are hereby incorporated by reference herein.

2. **Termination of Employment Agreement.** The Company and the Employee hereby terminate the Employment Agreement effective as of the date hereof (the "Termination"). The parties expressly agree the Termination shall not be considered a termination of the Employment Agreement under Section 6 of the Employment Agreement.

3. **Continued Employment.** The Company and the Employee hereby agree that the Employee will continue to serve the Company as the Company's Chief Financial Officer on an at-will basis. In such capacity, the Employee's duties, responsibilities, and base compensation will remain unchanged. Any and all other entitlements of the Employee in connection with his employment by the Company, including, but not limited to, fringe benefits, will be subject to the Company's discretion.

4. **Continuing Obligations.** Notwithstanding the Termination of the Employment Agreement, the parties hereby agree that the Employee shall remain subject to the covenant not to compete and non-disclosure provisions set forth in Section 7 of the Employment Agreement, and the Company and the Employee shall remain subject to the Indemnification Provisions set forth in Section 8 of the Employment Agreement.

5. **Consideration.** Concurrently with the execution hereof the Company will pay the Employee a one time cash payment in the amount of \$135,000, less all applicable payroll taxes, deductions, etc., and immediately vest all outstanding options issued to the Employee in connection

with the Employee's employment with the Company. In addition, at such time as the Employee's employment with the Company terminates, the Employee shall be entitled to take a certain Gateway computer, related equipment, desk, two printers, and three file cabinets used by the Employee in connection with the Employee's employment with the Company.

6. **Release.** Except for the obligations created by or arising out of this Agreement, the Employee, and all persons for whose conduct said party is legally responsible including, but not limited to, his descendants, heirs, beneficiaries, successors and assigns, and each of them, past or present (collectively the "Employee Parties") does hereby release, acquit, satisfy and forever discharge the Company, and all persons for whose conduct said party is legally responsible including, but not limited to, its officers, directors, attorneys, insurers, stockholders, subsidiaries, affiliated or related entities, successors, assigns, as the case may be, and each of them, past or present (collectively, the "Employer Parties"), from any and all manner of action, causes of action, rights, liens, agreements, contracts, covenants, obligations, suits, claims, debts, dues, sums of monies, costs, expenses, attorneys' fees, judgments, orders and liabilities, accounts, covenants, controversies, promises, damages, of whatever kind and nature in law or equity or otherwise whether now known or unknown (collectively, the "Claims"), which the Employee Parties ever had, now have, or may have had against any of the Employer Parties, for any reason (including, but not limited to, all Claims relating to the Employment Agreement) from the beginning of time up through and including this date. In furtherance of the foregoing, each of the releasing parties irrevocably covenants to refrain from, directly or indirectly, asserting any Claims, or commencing, instituting or causing to be commenced, any proceeding of any kind against any of the Employer Parties with respect to any of the matters within the scope of the foregoing release.

7. **Miscellaneous.**

(a) **Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral and written, between the parties hereto, with respect to such subject matter, all of which are merged herein.

(b) **Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Jury Trial.** This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the laws of the State of Florida without regard to the conflict of law principles thereof. Each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, or in respect of the transactions contemplated thereby, whether in tort or contract or at law or in equity, exclusively in the courts of the State of Florida located in Broward County or in the federal courts of the United States of America located in Southeastern District of Florida (the "Chosen Courts"). Solely in connection with such actions, proceedings and claims, the parties irrevocably submit to the jurisdiction of the chosen courts, and agree not to assert as a defense in any such action, suit or proceeding that such party is not subject to the jurisdiction of the chosen courts, that such action, proceeding or claim may not be brought or is not maintainable in the chosen courts, that venue is not

appropriate in the chosen courts, or that this Agreement may not be enforced in the chosen courts. Each of the parties agrees that service of process or other papers upon such party in any such action or proceeding shall be effective if notice is given in accordance with the provisions on notice contained in this Agreement. Each party acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement.

(c) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which, when together, shall constitute one and the same instrument.

(d) **Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under this Agreement on any person or entity other than the Company and the Employee.

(e) **Modification and Waiver.** No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by each of the parties hereto, except that any of the terms or provisions of this Agreement may be waived in writing at any time by the party entitled to the benefits of such waived terms or provisions. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar). No delay on the part of any party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof or of any other right, remedy, power or privilege.

(f) **Severability.** If any provision of this Agreement or the application of any such provision to any person or circumstances shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not effect any other provision hereof and this Agreement shall remain in force and be effectuated as if such illegal, invalid or unenforceable provision is not part of this Agreement.

(g) **Enforcement.** Should it become necessary for any party to institute legal action to enforce the terms and conditions of this Agreement, the successful party will be awarded reasonable attorneys' fees at all trial and appellate levels, expenses and costs.

IN WITNESS WHEREOF, the parties have executed this Termination Agreement on the day and year first set forth above.

Segmentz, Inc.

By: /s/ Mike Welch

\_\_\_\_\_  
Name: Mike Welch  
Its: Chief Executive Officer

/s/ Andrew J. Norstrud

\_\_\_\_\_  
Andrew Norstrud



### Segmentz, Inc. Phase II Restructuring Plan on Schedule

#### FOR IMMEDIATE RELEASE

Company Contact:

Segmentz, Inc.  
Jeff Curry  
269-695-4955

**TAMPA, FL—July 5, 2005—Segmentz, Inc. (AMEX: SZI)**, a provider of transportation and logistics management services to a select client base ranging from mid-sized to Fortune 500 companies, announced today that it has completed the sale of assets from the Temple Trucking business unit (“Temple”) to TTSI Holdings, Inc as of July 1, 2005.

TTSI Holdings and Paul Temple will purchase certain assets of approximately \$330,250 in value and receive a \$250,000 line of credit for one year at a rate of 6 percent, secured by accounts receivable of TTSI Holdings, Inc. TTSI Holdings Inc. and Mr. Temple will pay Segmentz Inc. (“Segmentz”) the fair market value of the assets through a \$105,000, six-year term note at a rate of 6 percent and 265,000 shares of Segmentz, Inc. common stock. Furthermore, Paul Temple released Segmentz from any and all earn-out obligations under an asset purchase agreement between Segmentz, Paul Temple, and Temple Trucking Services, Inc., dated November 22, 2004. Equipment leases, property leases, and all employment contracts associated with the original Temple Trucking Services asset purchase agreement and certain additional leases have been assumed by TTSI Holdings, Inc.

The immediate cash requirements to fund this transaction will be aided by the funding provided through the sale of the former Dasher headquarters in Lexington, Kentucky. Furthermore, management noted that cash flows will be bolstered by the collection of Temple’s accounts receivable balances as of July 1, 2005.

Mr. Welch, Chief Executive Officer, commented, “The sale of this business unit, the sale of our building in Lexington and the decrease in the outstanding accounts receivable balances, along with our existing cash balances, provide sufficient capital to execute the Company’s strategy for the foreseeable future. We do not believe we have the need to raise additional capital to fund expected operations. This transaction is another significant step in our strategy to focus our endeavors in expedited and premium transportation. Paul Temple operates a first-class pick-up and delivery business, but we found the synergies between Temple and our expedited business were not providing significant enough benefit to our customers. Furthermore, it is our desire to align our growth with owner operators, and this pick up and delivery business is better suited in an asset based model.”

As part of the reorganization, the Company is transitioning its corporate headquarters from Tampa, Florida to Buchanan, Michigan, and Mr. Andrew Norstrud, the Company’s Chief Financial Officer, has elected to not relocate his family to Michigan and thus Andrew Norstrud

and the Company has come to a mutual agreement to terminate his employment contract. Andrew Norstrud will continue to function as the Chief Financial Officer as an at will employee under the same salary and benefits.

Mike Welch, commented, "Andy has greatly assisted the Company with mergers and acquisitions, financial reporting, capital raising and investor relations over the past few years. While we are disappointed he will not be part of our long-term strategy, however we understand his desire to remain in Florida and wish him the best in his future endeavors."

#### **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 500 companies. The Company's services place an emphasis on ground expedited, air expedited and special handling services. Other services include: regional trucking, dedicated delivery and supply chain management services. The Company operates a network of terminals in the Southeast and Midwest United States. All these Company services focus on same-day and next-day pick up and delivery, transporting the freight in exclusive use trucks. The Company is committed to a strategy of continued growth through a non-asset based model. The Company has a state of art 24/7 call center utilizing a world-class communications technology and dispatch infrastructure that covers the 48 states and Canada. Segmentz, Inc. is publicly traded on the American Stock Exchange under the symbol SZI. For more information about Express-1 visit [www.express-1.com](http://www.express-1.com), and for more information about Segmentz visit [www.segmentz.com](http://www.segmentz.com).

#### **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, 2004.