

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

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In re:

NORVERGENCE, INC. ,

Debtors.

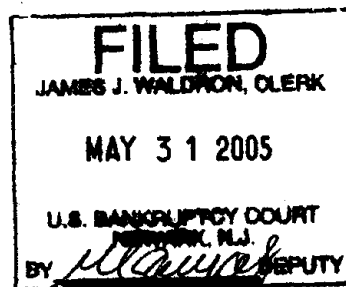
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DIVERSIFIED AEROSPACE SERVICES, LLC.

Plaintiff,

-against-

IFC CREDIT CORP., CHARLES FORMAN,
TRUSTEE AND
ACCESS INTEGRATED TECHNOLOGIES, INC.

Defendants.
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Chapter 7

Case No. 04-32079

Adv. Proc. No. 04-2862

STIPULATION AND ORDER

This Settlement Agreement (the "Agreement") is made as of April __, 2005, by and between Diversified Aerospace Services, LLC and those plaintiff parties (collectively the "Plaintiffs") identified in the "amended exhibit A"(the "Amended Exhibit A") annexed hereto as "Exhibit A" and defendant IFC Credit Corporation ("IFC") in full and final settlement of certain claims, as set out below:

WHEREAS, on or about June 30, 2004 (the "Petition Date"), certain creditors filed an involuntary bankruptcy petition under Chapter 11 of the title 11, United States Code §§ 101 et Seq. (the "Bankruptcy Code") against the Debtor (the "Involuntary Chapter 11 Case"); and

WHEREAS, on or about July 14, 2004 an order was entered by the Court converting the Debtor's Chapter 11 case to a case under Chapter 7 of the Bankruptcy Code; and

WHEREAS, on or about June 30, 2004, Charles Forman was appointed as the Chapter 7 trustee; and

WHEREAS, prior to the Petition Date, on or about June 16, 2004, IFC and the Debtor entered into a Security Agreement (the "1st June 16 Security Agreement") with IFC, whereby the Debtor granted IFC a security interest in all of the Debtor's right, title and interest in certain

rental agreements and the equipment subject to such rental agreements and all monies due and to become due under such rental agreements (the "1st June 16th Security Agreement Collateral"), as collateral to secure the Debtor's performance due under a certain master program agreement and the 1st June 16th Security Agreement; a copy of the 1st June 16th Security Agreement is annexed hereto as "Exhibit B".

WHEREAS, prior to the Petition Date, on or about June 16, 2004, IFC and the Debtor entered into a Security Agreement (the "2nd June 16 Security Agreement") whereby the Debtor granted IFC a security interest in all of the Debtor's right, title and interest in certain rental agreements and the Equipment subject to such rental agreements and all monies due and to become due under such rental agreements (the "2nd June 16th Security Agreement Collateral"), as collateral to secure the Debtor's performance under a certain master program agreement and the 2nd June 16th Security Agreement. A copy of the 2nd June 16 Security Agreement is annexed hereto as Exhibit C. (Collectively, the 1st June 16 Security Agreement and the 2nd June 16 Security Agreement are herein referred to as the "Security Agreements"); (Collectively, the 1st June 16th Security Agreement Collateral and the 2nd June 16th Security Agreement Collateral are herein referred to as the "Collateral Rental Agreements").

WHEREAS, prior to the Petition Date, on June 25, 2004, IFC perfected its security interest in the Collateral Rental Agreements by filing a UCC-1 Financing Statement against the Debtor with the New Jersey Department of Treasury, UCC Section (the "June 25th UCC-1 Financing Statement"). A copy of the June 25th UCC-1 Financing Statement is annexed hereto as Exhibit D.

WHEREAS, on or about November 1, 2004 the Plaintiffs initiated the instant adversary proceeding against the Defendants (the "Adversary Proceeding") seeking pursuant to Plaintiffs amended complaint ("Amended Complaint") certain relief, including a declaratory judgment and injunctive relief as to those Collateral Rental Agreements, made between the Plaintiffs and the Debtor. A copy of the Plaintiffs' Amended Complaint is annexed as Exhibit E. The designation and identification of the plaintiffs to the Amended Complaint as contained within the "exhibit a" to the Amended Complaint is amended, replaced and superceded by the identification and designation of the parties listed on the Amended Exhibit A, as annexed hereto as Exhibit A.

WHEREAS, IFC has not answered in the Adversary Proceeding, and IFC's time to answer or otherwise respond to the Amended Complaint has been extended to

~~April 19~~ April 19, 2005.

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ES WHEREAS, in order to avoid the cost of further litigation and the attendant risks and

costs thereto, IFC and the Plaintiffs have determined to resolve the dispute between them upon the terms as stated by the conditions and provisions of this Agreement; and

WHEREAS, IFC and the Plaintiffs have carefully considered the terms of this Agreement, after having had the opportunity to consult with their respective attorneys, are satisfied that it is fair and reasonable and should be approved by the Court;

NOW, THEREFORE, IFC and the Plaintiffs agree as follows:

1. In full and final settlement of the claims of the Plaintiffs identified within "Exhibit

A" annexed hereto and set forth in the Amended Complaint, IFC agrees to terminate IFC's security interest in the Collateral Rental Agreements and terminate the June 25th

UCC-1 Financing Statement by filing a UCC-3 with the appropriate New Jersey filing office, within thirty days of the entry of a final order approving this Agreement.

2. With respect to the Plaintiffs who are identified within "Exhibit A" annexed hereto, ~~only~~^{SAC} the above-titled action, the Amended Complaint and all claims made or could

have been made therein, shall be dismissed with prejudice pursuant to Rule 41 of the Federal Rules of Civil Procedure as against IFC, and that each party shall bear its own costs and attorneys fees.

3. In the event the Agreement is not approved by the Court, the Agreement shall be deemed null and void, except that Plaintiffs consent to an extension of the time to answer, move or otherwise plead in response to the Amended Complaint for an additional sixty days from the date the Court issues an order stating its non-approval of the Agreement.

4. The Plaintiffs and IFC acknowledge that this Agreement is a compromise of disputed claims, and that neither admits, and each expressly denies any liability on its part.

5. The Agreement contains the entire agreement between the parties, and may only be modified in writing signed by the parties or their duly appointed agents.

6. Each party acknowledges that they have read all of the terms of this Agreement and enters into the Agreement's terms voluntarily and without duress.

7. This Agreement is subject to the approval and Order of the Bankruptcy Court.

8. This Agreement shall be deemed to have been jointly drafted by the parties, and, in construing and interpreting this Agreement, no provision shall be construed and interpreted for or against any of the parties because such provision, or any other

provision, or the Agreement as a whole, was purportedly prepared or requested by such party.

9. This Agreement shall be binding upon the parties' heirs, successors and assigns, and shall inure to the benefit of the parties' heirs, successors and assigns.

10. This Agreement may be signed in counterparts, with each part being deemed a part of the original document. This Agreement may be signed by facsimile transmission which facsimile signatures shall be treated as original signatures.

Dated: April 21, 2005

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Local Counsel for the Plaintiffs

SO ORDERED:

Rosemary Gaudin Dated 5/31/05
UNITED STATES BANKRUPTCY JUDGE