CONTRACT MODIFICATION

Department of Budget and Management Procurement Unit

Modification No.: #1

To Contract No.:

DBM-050R4800165

DBM-050B5800047

Effective Date of Modification: January 1, 2006

Contract Dated:

October 12, 2004

This Contract Modification #1 (the "Assignment") is by and among the State of Maryland, acting through its Department of Budget and Management ("State"), Spherix Incorporated ("Original Contractor"), and InfoSpherix Incorporated ("Assigned Contractor").

RECITALS

WHEREAS, on October 12, 2004, Original Contractor entered into contract # DBM-050B5800047 with the State pursuant to RFP No. 050R4800165 for Call Center/Contact Center Services dated December 10, 2003, as amended (the "Contract") and agreed to perform computerized, centralized state park reservation services;

WHEREAS, the Original Contractor, a Delaware corporation with a principal business address of 12051 Indian Creek Court, Beltsville, MD 20705, wishes to assign all its interests in the Contract to the Assigned Contractor, its wholly-owned subsidiary corporation, which is incorporated in the State of Delaware and has a principal business address of 12051 Indian Creek Court, Beltsville, MD 20705; and

WHEREAS, the assignment provision of the Contract provides for assignment of the Contract only upon written consent of the State.

NOW THEREFORE, in consideration of the promises and the covenants herein contained, the adequacy and sufficiency of which are duly acknowledged by the parties, the parties agree as follows:

- 1. The Original Contractor assigns to the Assigned Contractor all of the Original Contractor's interests, rights, responsibilities, duties, and other provisions set forth in the Contract, which is incorporated by reference. The Original Contractor waives all rights under the Contract as against the State and any department, unit, agency, official or employee of the State. The parties agree that the assignment under this Assignment is unconditional and without recourse.
- 2. The Assigned Contractor accepts assignment of the provisions of the Contract, and (i) agrees to be bound by the provisions, terms, and conditions of the Contract in place of the Original Contractor, and (ii) assumes all the obligations, duties, responsibilities and liabilities of the Contract, both (i) and (ii) above, without limitation.

- 3. The Original Contractor and the Assigned Contractor jointly and severally represent and warrant to the State that:
 - A. The Original Contractor is not in default of any of its obligations under the Contract; and
 - B. The Original Contractor has assigned to the Assigned Contractor, under separate agreement, sufficient information, rights to technology, and key personnel to enable Assigned Contractor to properly perform the duties, responsibilities, obligations, and all other provisions assigned to Assigned Contractor under this Assignment; and
 - C. The Assigned Contractor is ready, willing, and able to perform all of the duties, obligations, responsibilities of the Original Contractor; and
 - D. The Original Contractor and the Assigned Contractor jointly request consent from the State.
- 4. Prior Claims, Amounts Due.
- A. Any and all amounts due to the Original Contractor by the State for work performed by the Original Contractor prior to the effective date hereof under the Contract will be paid to the Original Contractor by the State. Any and all amounts due to the Original Contractor from and after the effective date hereof under the Contract will be paid to the Assigned Contractor by the State.
- B. Any claims of the Original Contractor that arose out of the Contract prior to the effective date of this Assignment may be pursued by the Assigned Contractor in accordance with the Contract, the State Finance and procurement Article of the Annotated Code of Maryland, Title 15, subtitle 2, and the Code of Maryland Regulations, Title 21 subtitle 10.
- 5. Guarantee of Performance by the Original Contractor. The Original Contractor, Spherix Incorporated, hereby guarantees absolutely the full, prompt and complete performance by the Assigned Contractor, InfoSpherix Incorporated, of all of the terms, conditions, obligations, duties, responsibilities, and liabilities contained in the Original Contract and this Assignment, and further as the Original Contract may be amended from time to time, including any and all exhibits that are now or may become incorporated thereunto, and other obligations of every nature and kind that now or may in the future arise out of or in connection with the Original Contract, including any and all financial commitments, obligations, and liabilities. The Original Contractor, Spherix Incorporated, may not transfer this absolute guaranty to any other person or entity without the prior express written approval of the State, which approval will not be unreasonably withheld. The Original Contractor, Spherix Incorporated, further agrees that if the State brings any claim, action, or suit or proceeding against Assigned Contractor, InfoSpherix Incorporated, the Original Contractor, Spherix Incorporated, may be named as a party, in its capacity as Absolute Guarantor.
- 6. The State consents to the assignment by the Original Contractor to the Assigned Contractor for all of the provisions of the Contract.

7. The Recitals are incorporated into this Assignment.

IN WITNESS THEREOF, the parties have executed this Contract Modification #1 as of the date hereinabove set forth.

STATE:

DEPARTMENT OF BUDGET & MANAGEMENT

By: _

Name: Ellis Kitchen

Title: State Chief Information Officer

Nunc pro tunc January 1, 2006

ORIGINAL CONTRACTOR:

SPHERIX INCORPORATED

By: _____

Name: Richard C. Levin Title: CEO and President Nunc pro tunc January 1, 2006

ASSIGNED CONTRACTOR:

INFOSPHERIX INCORPORATED

By: Name: Richard C. Levin

Title: CEO and President
Nunc pro tunc January 1, 2006

Approved for form and legal sufficiency

Assistant Attorney General

Nunc pro tunc January 1, 2006