

FORM PTO-1619A
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
PATENT

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID#
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☒ Assignment ☐ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other
- U.S. Government**
(For Use ONLY by U.S. Government Agencies)
- ☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Execution Date
Month Day Year
06 27 00

Name (line 1)

Name (line 2)

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

PATENT

700000018884

REEL- 010859 FRAME: 0710

FORM PTO-1619B
Expires 06/30/99
OMB 0651-0027

Page 2

U.S. Department of Commerce
Patent and Trademark Office
PATENT**Correspondent Name and Address**Area Code and Telephone Number **727-507-8558**Name **Anton J. Hopen**Address (line 1) **Smith & Hopen, P.A.**Address (line 2) **15950 Bay Vista Drive**Address (line 3) **Suite 220**Address (line 4) **Clearwater, FL 33760****Pages** Enter the total number of pages of the attached conveyance document
including any attachments.# **13****Application Number(s) or Patent Number(s)**☒ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)**170,968****Patent Number(s)****4881246 4989220 5084903****5088111 5255267 5272700****5392276 5408507 5436902**If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)Enter PCT application number
only if a U.S. Application Number
has not been assigned.PCT PCT PCT PCT PCT PCT **Number of Properties**

Enter the total number of properties involved.

13**Fee Amount**Fee Amount for Properties Listed (37 CFR 3.41): \$ **520.00**Method of Payment:
Deposit AccountEnclosed ☐ Deposit Account ☒

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

500745

Authorization to charge additional fees:

Yes ☒ No ☐**Statement and Signature***To the best of my knowledge and belief, the foregoing information is true and correct and any
attached copy is a true copy of the original document. Charges to deposit account are authorized, as
indicated herein.***Anton J. Hopen**
Name of Person Signing

Signature

08/11/00
Date

FORM PTO-1619C
Expires 08/30/99
OMB 0651-0027RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLYU.S. Department of Commerce
Patent and Trademark Office
PATENT**Conveying Party(ies)**

Enter additional Conveying Parties

☐ Mark if additional names of conveying parties attachedExecution Date
Month Day Year

Name (line 1)

Name (line 2)

Name (line 1)

Name (line 2)

Name (line 1)

Name (line 2)

Execution Date
Month Day YearExecution Date
Month Day Year**Receiving Party(ies)**

Enter additional Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)**Application Number(s) or Patent Number(s)**☒ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

4984249	5487066	5528507

TRANSFER OF TITLE OF INTELLECTUAL PROPERTY

This Transfer of Title of Intellectual Property is made as of June 27th, 2000, by Asset Recovery Group, LLC ("Asset Recovery") in favor of Orion Group Inc. ("Orion"), as follows:

RECITALS

A. Pursuant to an Order of the United States Bankruptcy Court in the case of *In re First Pacific Networks, Inc.*, Case No. 97-51077 ASW ("FPN Bankruptcy Case"), Asset Recovery loaned funds to First Pacific Networks, Inc. ("FPN") and received a security interest in and to certain equipment and inventory of FPN ("Collateral").

B. On September 10, 1998, the Court in the FPN Bankruptcy Case entered an order approving the sale of substantially all of FPN's assets pursuant to an Asset Purchase Agreement between American Sterling Capital Corporation, a California corporation ("ASCC"), and FPN (the "FPN/ASCC Purchase Agreement"). On September 11, 1998, ASCC assigned all of its right, title, and interest in and to the FPN/ASCC Agreement to American Sterling Communications, LLC ("ASCOM"), pursuant to which ASCOM purchased from FPN certain assets of FPN part of which included certain of the Collateral which was subject to a security interest in favor of Asset Recovery, and all intellectual property, copyrights, patents, inventions, software, source code, devices, and discoveries of FPN.

C. ASCOM initiated an action against Asset Recovery for breach of the lending agreement between Asset Recovery and FPN (O.C.S.C. No. 801864). Asset Recovery initiated a cross-action in which it sought, in part, to judicially foreclose and obtain title to the Collateral and to obtain a money judgment for recovery of the money originally loaned to FPN.

D. Pursuant to a Settlement Agreement & General Release among ASCOM, American Sterling Corporation ("ASC") and Asset Recovery, ASCOM agreed to transfer title to the Collateral and all intellectual property it possessed to Asset Recovery in full satisfaction of Asset Recovery's claim.

E. Asset Recovery never intended to use the intellectual property itself, but only to sell it and the Collateral it contemporaneously received from ASCOM to a third party, such as Orion. Asset Recovery and Orion have entered into a Purchase and Sale Agreement contemporaneously herewith, and this Transfer of Title to Intellectual Property is entered into further to that Purchase and Sale Agreement.

Subject to the terms of the Purchase and Sale Agreement entered into by the parties, and in furtherance of the terms thereof, the parties now agree as follows:

AGREEMENT

1. Asset Recovery hereby sells, conveys, transfers, assigns, and delivers to Orion

and Orion hereby accepts from Asset Recovery all of Asset Recovery's right, title, and interest in and to all Intellectual Property now owned by Asset Recovery which Asset Recovery obtained from ASCOM pursuant to their Settlement Agreement and Mutual Release, as referenced in Recital D, above. Without in any way limiting the generality of the foregoing statement, Asset Recovery specifically acknowledges that the assets set forth on Exhibit A shall be Intellectual Property subject to transfer pursuant to this document.

2. Orion accepts title to the Intellectual Property, and Orion may take whatever action it deems appropriate to control the Intellectual Property and to act as the owner of the Intellectual Property to dispose of, use, or sell the Intellectual Property in any manner it chooses.

3. To the extent that it has not already done so, Asset Recovery shall deliver to Orion all documents, tapes, discs, or other physical embodiment of the Intellectual Property as soon as commercially reasonable after the execution of this document.

4. Asset Recovery hereby agrees to execute and deliver to Orion, upon demand, any instruments or other documents reasonably necessary to more fully or more formally evidence the rights herein conveyed and the rights of Orion in, to and under the Intellectual Property. Asset Recovery also agrees to deliver to Orion, upon demand, all copies or other tangible embodiments of the Intellectual Property, if it shall ever be discovered that Asset Recovery is in possession of the same.

5. Asset Recovery hereby agrees to execute, acknowledge, and deliver, when reasonably requested by Orion or its attorneys, all papers, including applications for patents or copyrights, assignments, and affidavits, as reasonably needed in order to obtain, maintain or renew such patents or copyrights, trade secrets, or other legal protection, or to vest title thereto in Orion or its assignee.

6. Orion acknowledges and agrees that Asset Recovery only ever took title to the intellectual property transferred hereunder for the purposes of re-sale to a third-party such as Orion, and that Asset Recovery makes no representations or warranties as to any aspect of the intellectual property, except that it is transferring to Orion all that it received from ASCOM, that Asset Recovery has made no efforts to protect and maintain the intellectual property, and that Orion has had over five months to conduct whatever due diligence it believes appropriate as to the intellectual property.

Asset Recovery Group, LLC,
a Colorado limited liability company

By: Mitchell Chi
Mitchell Chi, managing member

Orion Group, Inc.,
A Florida Corporation

By: Vernie L. Anderson
Its: President

EXHIBIT A

<u>Patent No.</u>	<u>Date Issued</u>	<u>Title</u>
U.S. 4,881,246	11/14/89	"Method and Apparatus for Demodulating a Class of M-ARY Phase Shift Keyed (PSK) Signals."
U.S. 4,984,249	1/8/91	"Method and Apparatus for Synchronizing Digital Data Symbols"
U.S. 4,989,220	1/29/91	"Differential Delay Demodulator (Two Branch)"
U.S. 5,084,903	1/28/92	"Modulation and Demodulation System Employing AM-PSK and QPSK Communication System Using Digital Signals"
U.S. 5,088,111	2/11/92	"Modulation and Demodulation System Employing AM-PSK and FSK for Communication System Using Digital Signals"
U.S. 5,255,267	10/19/93	"Apparatus for combining broadband and baseband signal"
U.S. 5,272,700	12/21/93	"Spectrally efficient broadband transmission system"
U.S. 5,392,276	2/21/95	"Method for Linking a Party Within a Full Duplex (Dual Channel) TDM Network with a Party External to the Network"
U.S. 5,408,507	4/18/95	"Extended Range Enhanced Skew Controller"
U.S. 5,436,902	7/25/95	"Ethernet Extender"
U.S. 5,487,066	1/23/96	"A Distributed Intelligence Network Using Time and Frequency Multiplexing"
U.S. 5,528,507	6/18/96	"System for Utility Demand

**Monitoring and Control Using a
Distribution Network"**

**U.S. Patent Application:
Serial No. 170,968**

**"Communication System Using
Distributed Switching for Time
Division Multiplexing of Voice and
Data"**

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the 22nd day of June, 2000, ("Effective Date") by and between ASSET RECOVERY GROUP, LLC, a Colorado limited liability company ("ARG"), and Orion Group Inc., a Florida corporation ("Orion")

RECITALS

A. Entergy Enterprises, Inc. ("EEI") had asserted a claim in the approximate amount of \$7 million against First Pacific Networks, Inc. ("FPN"), which is a debtor-in-possession pursuant to Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). This claim, together with any and all other asserted and unasserted claims of EEI and/or its Affiliates against FPN and/or any of FPN's Affiliates, are collectively referred to herein as the "Bankruptcy Claim."

B. EEI also held and possessed certain rights (the "Contract Rights") pursuant to that certain Product License Agreement dated as of July 31, 1991, as amended by that certain Amendment to Product License Agreement dated as of March 31, 1994 and that certain Second Amendment to Product License Agreement dated as of May 24, 1995, by and between EEI and FPN, which relates, among other matters, to certain of FPN's intellectual property potentially applicable to the field of energy monitoring.

C. On or about September 12, 1998, American Sterling Communications ("ASCOM") acquired certain of the assets of FPN pursuant to an order of the United States Bankruptcy Court entered pursuant to Section 363(b) of the Bankruptcy Code and later acquired certain contract rights of FPN pursuant to a second order of the United States Bankruptcy Court entered pursuant to Section 365 of the Bankruptcy Code (the "Assets Acquisition"). American Sterling Communications ("ASC"), which is a member of ASCOM, previously prepared (with the assistance of James Hirschy, FPN's President and Chief Executive Officer) and submitted to EEI the Confidential Business Plan (the "Business Plan"), which incorporated ASC's plans and forecasts with respect to the exploitation of FPN's intellectual property. ASC covenanted and agreed that it will, in good faith, use commercially reasonable efforts to exploit and maximize the value of FPN's intellectual property and to foster the incorporation of FPN's intellectual property into commercially viable products and services on a widespread basis. ASC employed David E. Hansen, a former FPN engineer, on a full-time basis to preserve his future availability in the continued development of the FPN intellectual property and has also employed others who were formerly employed by FPN. Through declarations filed with the Bankruptcy Court, ASC demonstrated that it had the financial ability to fund the forecasted expenses associated with the Business Plan. ASC covenanted that, in all events, it would act in a commercially reasonable manner in seeking to maximize the value of FPN's intellectual property; however, ASC and ASCOM expressly cautioned that technological advances by others in the industry and other events and developments may occur that would cause ASC and ASCOM to depart from the current version of the Business Plan.

D. As a result of ASCOM's successful consummation of the Assets Acquisition, ASCOM wished to purchase and acquire from EEI, and EEI wished to sell and transfer to ASCOM, all of EEI's right, title and interest in and to the Bankruptcy Claim and the Contract Rights pursuant to the terms and conditions of the EEI Contract, as defined below.

E. Effective as of September 12, 1998, EEI, ASC, and ASCOM entered into a Purchase and Sale Agreement (the "EEI Contract") that required ASCOM to pay EEI royalties as a result of any profitable exploitation of the assets purchased from FPN, including the exploitation of the FPN Technology (as defined below). The EEI Contract also provided that ASCOM could not sell the FPN Technology without payment to EEI of part of the purchase price paid.

F. Neither ASCOM nor any "Affiliate" of ASCOM (as defined in the EEI Contract) has ever derived any proceeds from the sale or marketing of any product or service utilizing the FPN Technology. Accordingly, ASCOM has not been required to pay any royalties to EEI pursuant to Section 3 of the EEI Contract. Additionally, neither ASCOM, nor any Affiliate of ASCOM, has entered into (or will enter into) any Special Asset Sale (as defined in the EEI Contract) with respect to the FPN Technology, except as may otherwise be disclosed in Recital I below. The amount of ASC's Adjusted Development Funding (as defined in the EEI Contract) is in excess of four million dollars (\$4,000,000).

G. Pursuant to certain Promissory Notes and a Security Agreement (as modified), ARG loaned to FPN the principal amount of \$278,000 from January 15, 1998 through May 21, 2000. The debt was secured by a "super-priority" lien on the tangible assets of the bankruptcy estate of FPN. As of the Effective Date, the amount due and payable to ARG under said Promissory Notes and Security Agreement, including principal, interest, administrative expenses and costs of collection (including attorneys' fees) is approximately \$500,000 through May 31, plus an estimate regarding future expenses (the "ARG Debt"), as more specifically itemized in Exhibit A hereto.

H. Pursuant to the Assets Acquisition, ASCOM agreed to assume FPN's liability, if any, for the ARG Debt. Disputes between ASCOM and ARG arose, and this resulted in litigation in the Superior Court in Orange County, California, styled *American Sterling Communications v. Asset Recovery Group*, Case No. 801 864 (the "Orange County Litigation").

I. On or about May 7, 2000, ARG and ASCOM settled the Orange County Litigation ("Orange County Settlement"), and documentation memorializing that settlement is being executed contemporaneously herewith in the form attached as Exhibit B hereto. Pursuant to their settlement, ASCOM shall transfer to ARG all its assets, including the FPN Technology (as defined below) in consideration of ARG's release (the "Release") of ASCOM and ASC from the ARG Debt. Except as expressly provided above, neither ASCOM, ASC nor any Affiliate of either ASCOM or ASC, shall receive any other consideration for, or in connection with, the transfer of the FPN Technology. The settlement is predicated upon EEI's consent to this transfer without payment or other consideration, by ASCOM, ASC, or ARG to EEI, except as expressly set forth in this Agreement.

J. ARG does not have the wherewithal or intention to develop the FPN Technology into a marketable product; rather, ARG intends to re-sell the FPN Technology to a third party for a sum which is at least equal to the amount of the ARG Debt.

K. ARG desires to sell, and Orion desires to buy, all the FPN Technology which ARG has or will acquire from ASCOM in the settlement between ASCOM and ARG.

AGREEMENT

1. **Recitals True.** ARG and Orion each represent that, to the best of its knowledge, the statements incorporated in the Recitals are complete and accurate in all material respects.

2. **Consent to Transfer.** The Parties understand that EEI must consent to the transfer of the FPN Technology as set out herein, that EEI has done so in principle, and that Orion will execute a contract or contracts with EEI substantially in the same form as the Purchase and Sale Contract between EEI and ASCOM and, if EEI requires it, the Option Contract between EEI and ASCOM. This Agreement shall not be effective until Orion and EEI have completed their contract(s).

3. **Consideration.** Orion shall pay to ARG the amount needed to make ARG whole, including repayment of all debts and a distribution to all members of their investment plus accrued interest and dissolution of ARG. All amounts other than the principal and interest of investors in ARG shall be in cash. This is expected to be approximately \$500,000 total, with approximately \$120,000 in cash.

3.1 **Deposit/Closing.** Closing shall occur Wednesday, June 7, 2000 at the offices of Fairfield and Woods, P.C. In anticipation of the closing of this transaction, Orion shall place \$120,000 in escrow with the firm of Fairfield and Woods, P.C. by noon on Tuesday, June 6, 2000. This amount shall be paid to ARG at closing. This amount shall be subject to the purchase price described in paragraph 3 above. If it should turn out that the amount needed to pay all the debts of ARG, including liquidation thereof, shall be less than \$120,000, ARG shall refund the difference to Orion within 5 business days of its determination that it has an overage. If it should turn out that the amount needed to pay all the debts of ARG, including liquidation thereof, shall be greater than \$120,000, Orion shall make up the shortfall to ARG within 5 business days of notice from ARG thereof.

3.2 **Note.** Orion agrees to execute a Promissory Note (the "Note") in favor of ARG for the non-cash portion of the Agreement. The note shall have the following material terms: All principal and previously accrued interest due the members of ARG shall be part of the principal of the Note. It shall be due 180 days from the date hereof. It shall bear 10% interest compounded annually. The note shall also carry costs of collection and exclusive venue in Denver, Colorado.

3.3 **Acquisition of FPN by Orion.** Orion shall use its best efforts to complete the acquisition of FPN. If such is completed by the due date of the Note, then it shall be paid as follows, at Orion's election: (a) cash as due or (b) stock of FPN representing twice the value of the amount due under the Note, with the value of the determined at the then-trading price of FPN.

3.4 **Non-acquisition of FPN by Orion.** If, by the due date of the Note, Orion has not completed its reverse acquisition of FPN, then 1/3 the accumulated principal and interest shall be due or, at the election of ARG, Orion shall tender up to 7 and ½ % of itself to be shared pro rata among the members of ARG. If less than all members want to participate in the stock of FPN, the 7 and ½ % shall be reduced accordingly. 120 days thereafter, ½ the accumulated principal and interest shall be due or, at the election of ARG, Orion shall tender up to 3% of itself to be shared pro rata among the members of ARG. If less than all members want to participate in the stock of FPN, the 3 % shall be reduced accordingly. 120 days thereafter, the

remaining accumulated principal and interest shall be due or, at the election of ARG, Orion shall tender up to 1 and ½ % of itself to be shared pro rata among the members of ARG. If less than all members want to participate in the stock of Orion, the 1 and ½ % shall be reduced accordingly.

3.5 Transfer of FPN Intellectual Property. For purposes of this Agreement "FPN Technology" means and refers to FPN's patent-protected intellectual property acquired by ASCOM as part of the Assets Acquisition (including any modifications or enhancements thereto developed by or on behalf of ASCOM or any Affiliate thereof) which is proposed to be acquired by ARG as part of the Orange County Settlement, including any modifications or enhancements thereto that may be developed by or on behalf of ARG or any Affiliate thereof. ARG transfers to Orion all the FPN Technology which it has received or shall receive from ASCOM. ARG represents and warrants that it has not made any modifications or enhancements thereto.

4. Representations and Warranties.

4.1 By ARG. ARG represents to and for the benefit of Orion that:

(a) **Validity of Agreement.** This Agreement constitutes the valid and binding obligation of ARG, enforceable against it in accordance with its terms;

(b) **Organization, Standing and Power.** ARG is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado. ARG has all requisite power and authority to own, lease and operate its properties, to carry on its business as now being conducted, and to execute, deliver and perform this Agreement and all writings related hereto; and

(c) **Authorization.** The execution, delivery and performance of this Agreement and all writings relating hereto by ARG have been duly and validly authorized by ARG. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by ARG do not and will not (i) conflict with or result in a breach of the Certificate of Formation or Operating Agreement of ARG, (ii) violate any statute, law, rule or regulation, or any order, writ, injunction or decree of any court or governmental authority applicable to or binding upon ARG, or (iii) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which ARG is a party or by which either of ARG or their respective assets or properties may be bound.

4.2 By Orion. Orion represents to and for the benefit of ARG that:

(a) **Validity of Agreement.** This Agreement constitutes the valid and binding obligation of Orion, enforceable against Orion in accordance with its terms;

(b) **Organization, Standing and Power.** Orion is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. Orion has all requisite corporate power and authority to own, lease and operate its properties, to carry on its business as now being conducted, and to execute, deliver and perform this Agreement and all writings related hereto; and

(c) **Authorization.** The execution, delivery and performance of this Agreement and all writings relating hereto by Orion has been duly and validly authorized. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated, and the performance of, fulfillment of and compliance with the terms and conditions hereof by Orion does not and will not (i) conflict with or result in a breach of the Articles of Incorporation or By-Laws of Orion, (ii) violate any statute, law, rule or regulation, or

any order, writ, injunction or decree of any court or governmental authority applicable to or binding upon Orion, or (iii) violate or conflict with or constitute a default under any agreement, instrument or writing of any nature to which Orion is a party or by which Orion or its assets or properties may be bound.

5. Miscellaneous.

5.1 Notices. All notices, requests and other communications hereunder shall be in writing and shall be delivered by personal service, or sent by telecopy or mailed first class, postage prepaid, by certified mail, return receipt requested, in all cases, addressed to:

(a) if to ARG:

Asset Recovery Group, LLC
c/o Christopher J. Arenal
1600 Stout Street, Suite 920
Denver, CO 80202
Telecopier: (303) 825-3924

with a copy to:

John M. Tanner
Fairfield and Woods, P.C.
1700 Lincoln St. Suite 2400
Denver, Colorado 80203
Telecopier: (303) 894-4495

(b) if to Orion

5.2 Entire Agreement. This instrument contains the entire agreement among the parties and shall supersede any and all prior written or oral agreements. Any oral representations or modifications concerning this Agreement or any such other document shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

5.3 Modification. This Agreement may be modified, amended or supplemented only by a written instrument duly executed by all of the parties hereto.

5.4 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

5.5 Captions. All captions and headings contained in this Agreement are for

convenience of reference only and shall not be construed to limit or extend the terms or conditions of this Agreement.

5.6 Further Assurances. Each party hereto will execute, acknowledge and deliver any further assurance, documents and instruments reasonably requested by any other party hereto for the purpose of giving effect to the transactions contemplated herein or the intentions of the parties with respect thereto.

5.7 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party or parties making the waiver.

5.8 No Broker. Each of the parties represents that no person has acted on behalf of it, or has assisted it in or brought about the negotiation of this Agreement as agent, finder, broker or other representative. No party has agreed to pay to any person any fee or commission in the nature of a finder's, broker's or originator's fee or commission in connection with this Agreement, and each of the parties agrees to indemnify the other parties and hold the other parties harmless from and against any claims asserted against the indemnified party or parties for any broker's, finder's or originator's fees, commissions or other compensation in connection with this Agreement by any person acting or asserting to have acted on the indemnifying party's behalf.

5.9 Payment of Fees and Expenses. Orion shall pay the fees and expenses of ARG, including those of its counsel, incurred in the negotiation, preparation and consummation of this Agreement and the transaction described herein.

5.10 Binding Effect. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties hereto.

5.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Colorado.

5.12 Construction. In the interpretation and construction of this Agreement, the parties acknowledge that the terms hereof reflect extensive negotiations between the parties and that this Agreement shall not be deemed, for the purpose of construction and interpretation, drafted by any one of the parties hereto.

5.13 Counterparts. This Agreement may be signed in counterparts. The parties further agree that this Agreement may be executed by the exchange of facsimile signature pages provided that by doing so the parties agree to undertake to provide original signatures as soon thereafter as reasonable in the circumstances.

5.14 Time is of the Essence. Time is of the essence in this Agreement, and all of the terms, covenants and conditions hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Asset Recovery Group, LLC
a California Limited Liability Company

By: 
Mitchell B. Chi
Managing Member

Orion Group, Inc.
a Florida Corporation

By: 
Its: President

EXHIBIT A

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Note dated January 15, 1998	\$158,000	\$42,739.00	\$200,739.00
Note dated February 28, 1998	\$95,000	\$22,823.75	\$117,823.75
Note dated May 21, 1998	\$25,000	\$5,250.00	\$30,250.00
Storage Lien			\$1,563.28
Bridgford, Knottnerus			\$23,749.63
Dill, Dill			\$1,000.00
Out of pockets			\$5,000.00
Berliner, Zisser			\$4,387.50
Fairfield and Woods (through June 20, 2000)			<u>\$76,614.43</u>
Subtotal Debt and Costs of Collection			\$461,127.59
Fairfield and Woods [estimate]			\$5,000.00
Accountant [estimate]			\$2,500.00
Dill, Dill			<u>\$5,071.90</u>
Subtotal Administrative [estimate]			\$12,571.90
Entergy Payment [estimate]			\$12,571.90
<u>TOTAL</u>			<u>\$486,271.39</u>