

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Advanced Network and Database Systems, Inc.	05/20/1999
RECEIVING PARTY DATA	
Name:	Vision Technologies, LLC
Street Address:	6131 East Huntress Drive
City:	Paradise Valley
State/Country:	ARIZONA
Postal Code:	85253
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7016857
CORRESPONDENCE DATA	
Fax Number:	(816)983-8080
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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ATTORNEY DOCKET NUMBER:	55653.66141
NAME OF SUBMITTER:	John W. Brown III
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## ASSIGNMENT AGREEMENT

ASSIGNMENT AGREEMENT ("Assignment"), dated as of May 20, 1999, between Vision Technologies, LLC, an Arizona limited liability company ("Vision"), and Advanced Network and Database Systems, Inc., an Arizona corporation ("ANDS").

WHEREAS, Vision and ANDS have entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") dated as of the date of this Agreement pursuant to which ANDS has agreed to sell and assign to Vision, among other things, its Intangible Property. "Intangible Property" means all Assets (as defined in the Asset Purchase Agreement) except for Tangible Property (as defined in the Asset Purchase Agreement).

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which both parties acknowledge, ANDS sells, conveys, transfers, assigns, releases and delivers all Intangible Property to Vision.

This Assignment is subject to, and will be construed in accordance with, the terms, conditions, covenants, representations and warranties in the Asset Purchase Agreement, and in the event of a conflict between the provisions of this Assignment and the provisions of the Asset Purchase Agreement, the provisions of the Asset Purchase Agreement will be controlling.

ANDS represents and warrants that ANDS is the sole owner of all Intangible Property, free and clear of all levies, liens, encumbrances, claims and security interests.

ANDS will perform all further actions as may be necessary or useful to evidence or perfect Vision's ownership of the Intangible Property including, without limitation, the execution and delivery of any further documents of assignment and conveyance that Vision reasonably may request.

ADVANCED NETWORK AND DATABASE  
SYSTEMS, INC., an Arizona corporation

By David D. McInally  
Its VICE-PRESIDENT

## ASSET PURCHASE AGREEMENT

Agreement dated as of May 20, 1999 by and among Vision Technologies, LLC, an Arizona limited liability company (the "Buyer"); Advanced Network and Database Systems, Inc., an Arizona corporation (the "Seller"); Scott Lloyd, an individual; and David McNally, an individual. This Agreement refers to Scott Lloyd and David McNally collectively as the "Principals."

### RECITALS

1. This Agreement expresses the terms and conditions on which Buyer is purchasing the assets of Seller.
2. The Principals are Seller's sole stockholders.

NOW THEREFORE, in consideration of the conditions, covenants, and representations and warranties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which all parties acknowledge, Buyer, Seller and the Principals agree as follows:

### 1. DEFINITIONS

"Assets" means (1) all Intellectual Property; (2) all Tangible Property; (3) all rights held by Seller under any real or personal property leases; (4) all rights held by Seller in all contracts, licenses and agreements with its customers and suppliers; (5) copies of all books and records relating to Seller's business; and (6) all other tangible and intangible assets of any nature owned by Seller, including without limitation all assets listed in **Exhibit 1** but not including the Excluded Assets.

"Best Knowledge of Seller and Principals" regarding any subject means the actual knowledge of each of Seller and Principals and any knowledge that a commercially reasonable investigation of the subject would reveal.

"Closing" means the execution of all documents and transactions contemplated by this Agreement.

"Closing Date" means May 20, 1999 or a later date to which Buyer and Seller agree in writing.

"Closing Documents" means all documents that Seller or the Principals must execute and deliver to Buyer at the Closing.

"Confidential Information" means all confidential or proprietary information belonging to Seller, including without limitation all trade secrets, all source code, specifications and other documentation for any computer programs developed by Seller, and any other information regarding Seller's proprietary technology or former, existing and prospective contractual relationships.

"Employment Agreements" means the employment agreements between Buyer and the Principals described in **Section 5.2.4**.

"Excluded Assets" means the assets listed in **Exhibit 2**.

"Intellectual Property" means all intellectual property and proprietary rights (including any and all applications for or registrations of common law and statutory rights) that are owned, licensed, used or held for use by Seller including, but not limited to (1) any and all computer software programs; (2) any and all patents, patent rights, inventions, creations, devices, and works-in-progress; (3) any and all trade secrets, know-how, techniques, processes and work product; (4) any and all copyrights; (5) any and all trademarks, logos, and service marks; (6) and any information of any nature that Seller considers or treats as confidential or proprietary, including without limitation any information of a technical nature and any customer lists.

"Laws" means all federal, state or local laws, ordinances, orders, judgments, injunctions, awards, decrees, regulations and any other requirements of any governmental or regulatory body applicable to the operation of Seller's business or to the use of the Assets.

"Permits" means all licenses, permits, orders and approvals of any governmental authority that are material to or necessary for the lawful conduct and operation of Seller's business or to the use of the Assets.

"Person" means any individual, corporation, partnership, firm, joint venture, association, limited liability company, trust, unincorporated organization, governmental authority or other entity.

"Tangible Property" means all interests owned or claimed by Seller in or to the computers, machinery, equipment, furniture, fixtures and other tangible property material to Seller's business or to the use of the Assets.

## **2. PURCHASE AND SALE OF ASSETS**

Subject to the terms of this Agreement, Seller agrees to sell and assign to Buyer, and Buyer agrees to purchase and accept the assignment of, all Assets except the Excluded Assets.

## **3. LIMITED ASSUMPTION OF LIABILITIES**

Subject to the terms of this Agreement, Buyer agrees to assume and timely perform all liabilities and obligations of Seller arising after the Closing Date under all contracts listed on **Exhibit 1**. Buyer shall not assume or be liable for any other liabilities or obligations of Seller, including without limitation any tax obligations that Seller may have to any taxing authority, any liabilities attributable to any "employee benefit plans" described in **Section 8.18**, any obligation to continue the employment of any of Seller's employees after the Closing Date and any liability or obligation of any nature arising from events occurring before the Closing Date.

## **4. PURCHASE PRICE**

4.1 Purchase Price and Payment. Subject to **Section 4.3**, Buyer agrees to pay Seller \$2,085,000 (the "Purchase Price") for the Assets. Of that amount, Buyer shall pay Seller

\$1,020,000 in cash at the Closing. Buyer shall pay an additional \$532,500 (the "Deferred Amount") to Seller ninety days after the Closing Date. Buyer shall secure its obligations to pay the Deferred Amount by executing a security agreement in the form accompanying this Agreement as **Exhibit 3** and delivering that agreement to Seller at the Closing. Buyer shall deposit the \$532,500 balance of the Purchase Price in escrow with Bank One, Arizona, N.A. in accordance with the escrow agreement accompanying this Agreement as **Exhibit 4** (the "Escrow Deposit"). Except to the extent that Buyer is entitled to exercise any rights and remedies respecting the Escrow Deposit under **Section 11.4**, Seller shall receive the Escrow Deposit, together with interest accrued at an annual rate of ten percent, on the first anniversary of the Closing Date.

4.2 Allocation of Purchase Price. Buyer and Seller agree to allocate the Purchase Price and agreed assumed liabilities among the Assets in accordance with **Exhibit 5**. The allocation shall be incorporated in IRS Forms 8594 prepared and filed by Buyer and Seller based on their mutual agreement as to the precise content of each such form, any case be consistent with the allocations set forth in **Exhibit 5**.

4.3 Interim Loan Repayment. Buyer may deduct from the payment it otherwise would make at the Closing under **Section 4.1** any unpaid principal, interest and other obligations under the promissory notes that Seller executed and delivered to Buyer on \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, 1999.

## 5. CLOSING

5.1 Date and Place of the Closing. Subject to the provisions of this Agreement, the Closing shall take place on the Closing Date at the offices of Brown & Bain, P.A., 2901 North Central Avenue, Suite 2000, Phoenix, Arizona 85012.

5.2 Transactions at the Closing. At the Closing, the parties shall enter into the following transactions:

5.2.1 Buyer shall pay \$1,020,000 in cash to Seller, execute the security agreement and escrow agreement described in **Section 4.1** and deliver them to Seller and make the Escrow Deposit.

5.2.2 Seller shall deliver to Buyer all assignment documents, bills of sale and other instruments of sale, transfer and conveyance related to the Assets, including without limitation an assignment of Intellectual Property and intangible assets in the form accompanying this Agreement as **Exhibit 6**, a bill of sale conveying title to all Tangible Assets in the form accompanying this Agreement as **Exhibit 7** and any other documents necessary to consummate the transactions contemplated by this Agreement or to evidence Buyer's interest in and title to all Assets, all in form and substance acceptable to Buyer.

5.2.3 The Principals shall enter subscription agreements with Buyer in the form attached as **Exhibit 8**, under which each Principal shall receive a five percent ownership interest in Buyer.

5.2.4 Buyer and Principals shall enter into employment agreements in the form attached as **Exhibit 9**.

## **6. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS AT CLOSING**

Buyer's obligations at the Closing are subject, at Buyer's option, to the Seller's and the Principals' fulfillment of the following conditions by the Closing Date. Buyer may, in its sole discretion, waive any or all such conditions:

6.1 Representations and Covenants. The representations and warranties of Seller and Principals contained in this Agreement and all documents delivered pursuant to this Agreement shall be true and accurate in all material respects on and as of the Closing Date. Seller and Principals shall have performed and complied with all covenants, agreements and conditions that this Agreement requires Seller and Principals to perform or comply with by the Closing Date. Seller and Principals shall have delivered to Buyer certificates, dated as of the Closing Date and duly executed by Seller and Principals, to the foregoing effect.

6.2 Assignment of Intellectual Property. Seller and Principals shall have taken all necessary steps to secure all assignments to Buyer of all Intellectual Property, including all patent, copyright, and trademark rights and all trade secrets, that are necessary to vest Buyer with exclusive ownership of all Intellectual Property.

6.3 Execution of Non-Disclosure and Assignment Agreements and Covenants not to Compete. Seller shall have taken all necessary steps prior to the Closing to secure from each employee, consultant, contractor, principal and agent of Seller set forth in **Exhibit 10** an agreement, in form and content acceptable to Buyer, containing a covenant not to disclose to third parties any confidential information regarding Seller or the Assets and an assignment to Seller, taking effect before the Closing Date, of all inventions and other intellectual property rights related to the Assets.

6.4 No Litigation. No action, suit or proceeding shall have been instituted before any court or governmental or regulatory body or instituted or threatened by any governmental or regulatory body, to restrain, modify or prevent the carrying out of the transactions contemplated by this Agreement, or to seek damages or a discovery order in connection with such transactions, or that has or may have, a materially adverse effect on the Assets or on the abilities of Seller or Principals to perform their respective obligations under this Agreement.

6.5 Opinion Letter. Seller shall have delivered to Buyer an opinion letter in the form attached as **Exhibit 11** prepared by Snell & Wilmer, L.L.P. or by other legal counsel acceptable to Buyer.

6.6 Board and Shareholder Approval. Seller's board of directors and shareholders shall have given their unanimous written consent to this Agreement and the transactions that it contemplates and each executed a waiver of all dissenters', appraisal or other rights they may have against Seller as a result of this Agreement or the transactions that it contemplates and a release of all existing and prospective claims against Seller, all in form and content acceptable to Buyer.

6.7 No Adverse Material Facts. Buyer shall have discovered no material facts relating to the Assets that Seller or Principals failed to disclose as required by **Sections 8.4 and 8.21** of this

Agreement and that adversely affect, or may potentially adversely affect, the Assets or the abilities of Seller or Principals to perform their respective obligations under this Agreement.

6.8 Employment Agreements. Principals both shall have executed the Employment Agreements and delivered them to Buyer.

## **7. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS AT CLOSING**

Seller's obligations at the Closing are subject, at the option of Seller and Principals, to the Buyer's fulfillment of the following conditions by the Closing Date. Seller and Principals may, in their sole discretion, waive any or all such conditions:

7.1 Buyer's Performance. Buyer shall have performed and complied with all covenants, agreements and conditions that this Agreement requires Buyer to perform or comply with by the Closing Date. Buyer shall have delivered to Seller certificates, dated as of the Closing Date and duly executed by Buyer, to the foregoing effect.

7.2 No Litigation. No action, suit or proceeding shall have been instituted before any court or governmental or regulatory body or instituted or threatened by any governmental or regulatory body, to restrain, modify or prevent the carrying out of the transactions contemplated by this Agreement, or to seek damages or a discovery order in connection with such transactions, or that has or may have, a materially adverse effect on the ability of Buyer to perform its obligations under this Agreement.

7.3 Execution of Employment Agreements. Buyer shall have executed the Employment Agreements and delivered them to the Principals.

## **8. REPRESENTATIONS AND WARRANTIES OF SELLER AND PRINCIPALS**

As of the date of this Agreement and the Closing Date, Seller and Principals represent and warrant to Buyer as follows:

8.1 Authority. Seller has the legal capacity and all requisite corporate power and authority to enter into this Agreement and to consummate the transactions that it contemplates. The execution and delivery of this Agreement and the consummation of the transactions it contemplates have been duly authorized by all necessary corporate action of Seller, including any and all necessary approvals and authorizations from its shareholders and board of directors. Principals have the legal capacity to enter into and deliver this Agreement and the Closing Documents and to perform their obligations under and consummate the transactions contemplated by, this Agreement and the Closing Documents.

8.2 No Breach. The execution, delivery and performance of this Agreement and the consummation of the transactions it contemplates do not breach, violate, conflict with or cause a default (with or without notice or a lapse of time) under (i) any contract or other agreement to which Seller is a party or by which Seller or any of the Assets may be bound or (ii) any Law or Permit. Seller's and the Principals' execution and delivery of, and performance of their obligations under, this Agreement and the Closing Documents do not require the consent or authorization of any third party.



8.3 Financial Statements. Seller has delivered to Buyer the balance sheets of Seller as of December 31, 1996; December 31, 1997 and December 31, 1998, and the related statements of income, retained earnings and changes in financial position for 1996, 1997 and 1998 (collectively, the "Financial Statements"). Except as disclosed on **Exhibit 12**, the Financial Statements accurately represent in all material respects the financial condition and results of Seller's operations at each such date and for each such period in accordance with generally accepted accounting principles consistently applied throughout each period covered by the statements.

8.4 No Material Adverse Changes. Since December 31, 1998, Seller has not incurred any material liabilities and suffered no material adverse changes to its business, financial condition or Assets, except as disclosed on **Exhibit 12**.

8.5 Tax Matters. Seller has timely filed with the appropriate taxing authorities all tax returns, reports and information required to be filed by Seller through the Closing Date. All such returns, reports and information are complete and accurate in all material respects. Seller has either paid or established adequate reserves for the payment of all taxes and assessments payable by Seller for periods beginning before the Closing Date. Seller has no liability for taxes in excess of the amounts so paid or reserves so established. Seller is not delinquent in the payment of any tax liability. Seller has not received any notice of any claimed, proposed or threatened tax deficiency or assessment. No audits, investigations or claims for or relating to any tax liability or assessment of any kind are pending or have been overtly threatened. None of Seller's tax returns have been examined by or settled with the United States Internal Revenue Service or any state or local department of revenue or taxation, and no waiver extending the statute of limitations has been requested or granted.

8.6 Capital Structure. The Principals own all issued and outstanding shares of all classes of equity securities issued by Seller.

8.7 Subsidiaries and Investments. Seller is a ninety-four percent (94%) shareholder of GolfSwitch, Inc., an Arizona corporation. Seller does not own, directly or indirectly, any shares of capital stock of any other corporation or equity interest in any partnership, association or other business organization and has no obligation to make such an investment.

8.8 Compliance with Laws and Permits. Seller has been and remains in compliance in all material respects with all Laws and has received no notice of any default with respect to any Law. Seller holds all Permits necessary for its business. Seller has lawfully obtained and has been and remains in compliance with the terms of all Permits, all Permits are in full force and effect and, to the best of the knowledge of Seller and Principals, no proceeding is pending or threatened to revoke or limit any Permit.

8.9 No Litigation. There are (i) no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or involving Seller or any of the Assets; (ii) no actions, suits or claims or legal, administrative or arbitration proceedings or investigations pending or, to the best of the knowledge of Seller and Principals, threatened against or involving Seller or any of the Assets; and (iii) no facts, events or circumstances that may give rise to any such proceedings against or involving Seller or any of the Assets.

8.10 Contracts and Other Agreements. **Exhibit 12** sets forth a complete and accurate list and summary description of all contracts, licenses, leases of personal property and other agreements ("Contracts") into which Seller has entered, or by which Seller or the Assets are bound. Seller has delivered to Buyer true and complete copies of all Contracts. To the Best Knowledge of Seller and Principals, all Contracts are valid, in full force and effect and binding in accordance with their terms. Neither Seller nor, to the Best Knowledge of Seller and Principals, any other party to a Contract is in default under any Contract and no condition exists that, with notice or the lapse of time or both, would constitute either a termination or a default by Seller or any other party to a Contract.

8.11 Real Property. Seller owns no interest in any real property and no option to purchase, acquire, sell or dispose of any interest in real property. Seller has no contractual obligation to purchase, acquire, sell or dispose of any interest in real property. **Exhibit 12** sets forth a complete and accurate list and a summary description of all leases and subleases of real property entered into by Seller or used in connection with Seller's business. Seller has delivered to Buyer true and complete copies of all such lease and sublease agreements. All leases and subleases are in full force and effect and are not subject to any lien. Seller has received no notice of any default under any lease or sublease agreement.

8.12 Tangible Property. **Exhibit 12** sets forth all interests in Tangible Property owned or claimed by Seller. All material leases or conditional sale contracts under which Seller may use or hold any interest in or to Tangible Property are in full force and effect. Seller has delivered to Buyer true and complete copies of all such leases and contracts. The Tangible Property of Seller is in good operating condition and repair, ordinary wear and tear excepted. Since Seller's formation, no significant interruption of Seller's business is or has been attributable to inadequate maintenance of the Tangible Property.

8.13 Intellectual Property Rights.

8.13.1 **Exhibit 12** sets forth a complete list of all Intellectual Property and a complete list of all assignments and license and other agreements under which Seller has acquired any Intellectual Property, assigned any Intellectual Property to any third party or granted any third party any license or other rights respecting the Intellectual Property. Seller has delivered to Buyer true and complete copies of all such assignments and license agreements.

8.13.2 Except as disclosed on **Exhibit 12**, Seller is the sole owner of all Intellectual Property, free and clear of any liens, encumbrances or other claims against Seller's ownership.

8.13.3 To the Best Knowledge of Seller and Principals, neither the Intellectual Property, any of Seller's products or services nor the operation of Seller's business as conducted on the date of this Agreement infringes the intellectual property or proprietary rights of any Person. Seller has not misappropriated any third party's trade secrets or other confidential or proprietary information. Seller has not used and is not using any inventions made by any of its employees before their employment with Seller.

8.13.4 The Assets include, and Seller has sufficient title, ownership and licenses to, all copyrights, trade secrets, trademarks and, to the knowledge of Seller and Principals, all patents,

patent rights and other intellectual property rights necessary for the operation of Seller's business as conducted on the date of this Agreement.

8.13.5 Seller is in compliance in all material respects with all agreements under which it may have acquired any Intellectual Property. No license or other agreement relating to the Intellectual Property will limit or restrict the Buyer's right to use any of the Assets. Except for standard license and service agreements with Seller's customers, in substantially the form and content of the license and service agreements disclosed to Buyer and its counsel, there are no outstanding options, licenses or agreements granting any third party any rights respecting the Intellectual Property.

8.13.6 Seller has taken all reasonable steps necessary to preserve the confidential nature of all Intellectual Property. To the Best Knowledge of Seller and Principals, no Intellectual Property has been used, divulged or appropriated for the benefit of any third party or to the detriment of the Assets or Seller's business.

8.13.7 To the Best Knowledge of Seller and Principals, no third party is infringing upon any of the Intellectual Property and no claim exists that any of the Intellectual Property is invalid or unenforceable. There are no oppositions, cancellations or other similar proceedings pending or, to the Best Knowledge of Seller and Principals, overtly threatened with respect to any pending patent applications or copyright or other intellectual property registrations.

8.13.8 Seller has not waived any of its rights with respect to any of the Intellectual Property.

8.14 Title to Assets. Seller owns outright and has good and marketable title to all Assets free and clear of any liens, encumbrances or other claims against Seller's exclusive ownership, except as disclosed on **Exhibit 12**.

8.15 No Liabilities. Except as disclosed in **Exhibit 12**, Seller has no outstanding or potential liabilities or obligations.

8.16 Suppliers and Customers. **Exhibit 12** sets forth a complete list of (1) all suppliers on which Seller relies for materials, equipment and services necessary to Seller's business, and (2) all Seller's current customers. The relationships of Seller with such suppliers and customers are good commercial working relationships, and during the last twelve (12) months, no such supplier or customer has (i) cancelled or otherwise terminated, or threatened to cancel or otherwise terminate, its relationship with Seller, (ii) in the case of suppliers, materially decreased its materials, equipment or services made available to Seller, or (iii) in the case of customers, materially decreased its usage or purchase of the services or products of Seller. To the Best Knowledge of Seller and Principals, neither the execution of this Agreement or the consummation of any transaction contemplated by this Agreement would cause any such supplier or customer to cancel or modify its relationship with Seller or otherwise adversely affect the relationship of Seller with any such supplier or customer.

8.17 Employees. **Exhibit 10** lists all employees and contractors involved in the development of Seller's proprietary computer software programs. With respect to any of its present or former employees, Seller does not presently maintain, contribute to or have any liability under any employee benefit or welfare plan including (i) any non-qualified deferred

compensation or retirement plan or arrangement that is an "employee benefit plan" under the Employee Retirement Income Security Act of 1974 ("ERISA"), (ii) any qualified defined contribution retirement plan or arrangement, (iii) any qualified defined benefit pension plan or arrangement or (iv) any unfunded or funded medical, health or life insurance plan or arrangement for present or future retirees or present or future terminated employees that is an "employee benefit plan" under ERISA. Seller is not a party to any collective bargaining agreements.

8.18 Environmental Compliance. Seller has not used any materials or substances that any federal, state or local law may define as a "hazardous waste" or "hazardous substance" or that any applicable law or governmental authority regulates (collectively, "Hazardous Materials") (i) in any way that affects the Assets or any facility or property used in connection with the operation of Seller's business or the use of the Assets; or (ii) in any manner that violates any federal, state or local law, regulation, governmental restriction, order, judgment or decree governing the use, storage, transportation, manufacture, handling, production or disposal of Hazardous Materials.

8.19 Computer Software. Each computer software program owned or licensed by Seller (each, a "Program") (i) performs substantially in accordance with its written specifications; (ii) will accurately store, display, process, provide and receive data data (including, without limitation, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, including leap-year calculations; and (iii) contains no code, program or other internal component such as a computer virus, computer worm, computer time bomb or similar component that could disable the Program, damage, destroy or alter any hardware or other computer program or in any manner, reveal, damage, destroy or alter any data or other information accessed through or processed by the Program in any manner.

8.20 Insurance. **Exhibit 12** lists all insurance policies that Seller maintains on the date of this Agreement. To the Best Knowledge of Seller and Principals, all such policies are in full force and effect, Seller has received no cancellation notices respecting any such policy and there exists no default or event which, with notice, the lapse of time or both, would constitute a default under any such policy.

8.21 Full Disclosure. Seller and Principals have delivered to Buyer all documents and other papers evidencing the items listed in **Exhibit 12**. All documents and other papers delivered by or on behalf of Seller or Principals in connection with this Agreement and the transactions it contemplates are true, complete and authentic. There is no fact that Seller or Principals have not disclosed to Buyer in writing that has or may have a materially adverse effect on the Assets or on the abilities of Seller or Principals to perform their respective obligations under this Agreement.

## 9. REPRESENTATIONS AND WARRANTIES OF BUYER

9.1 Authority. Buyer has the legal capacity and all requisite power and authority to enter into this Agreement and to consummate the transactions that it contemplates. The execution and delivery of this Agreement and the consummation of the transactions it contemplates have been duly authorized by all necessary action of Buyer, including any and all necessary approvals and authorizations from its managers and members.

9.2 No Breach. The execution, delivery and performance of this Agreement and the consummation of the transactions it contemplates do not breach, violate, conflict with or cause a default (with or without notice or a lapse of time) under (i) any contract or other agreement to which Buyer is a party or by which Buyer may be bound or (ii) any Law or Permit. Buyer's execution and delivery of, and performance of their obligations under, this Agreement and the Closing Documents do not require the consent or authorization of any third party.

9.3 No Litigation. There are (i) no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal against or involving Seller; (ii) no actions, suits or claims or legal, administrative or arbitration Buyer; and (iii) no facts, events or circumstances that may give rise to any such proceedings against or involving Buyer.

## 10. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Notwithstanding any right of Buyer to investigate the affairs of Seller and the Principals, and notwithstanding any knowledge of facts that Buyer may determine or be able to determine through such investigation or right of investigation, Buyer shall have the right to rely fully upon the representations, warranties, covenants and agreements of Seller and Principals. All such representations, warranties, covenants and agreements shall survive the Closing and the execution and delivery of this Agreement for a period of two years from the Closing Date.

## 11. INDEMNIFICATION

11.1 Seller's and Principals' Indemnity. Subject to any applicable limits in **Section 11.3**, Seller and Principals shall indemnify, defend and hold Buyer harmless from and against all claims, losses, damages, deficiencies, costs or expenses including, without limitation, interest, penalties and reasonable attorneys fees and disbursements ("Losses") based upon, arising from or otherwise respecting (i) any material inaccuracy in or breach of any representation or warranty of Seller or Principals contained in this Agreement or any Closing Documents; (ii) the operation of Seller's business, or any other acts or omissions of Seller or Principals, before the Closing Date; (iii) any failure to perform or observe any term, provision, covenant, agreement or condition that this Agreement or any Closing Document requires Seller to perform or observe; or (iv) any failure to comply with the Arizona bulk sales law.

11.2 Buyer's Indemnity. Subject to any applicable limits in **Section 11.3** Buyer shall indemnify, defend and hold Seller harmless from and against all claims, losses, damages, deficiencies, costs or expenses including, without limitation, interest, penalties and reasonable attorneys fees and disbursements ("Losses") based upon, arising from or otherwise respecting (i) any material inaccuracy in or breach of any representation or warranty of Buyer contained in this Agreement or any Closing Documents; (ii) the operation of Buyer's business, or any other acts or omissions of Buyer, after the Closing Date; any failure to perform or observe any term, provision, covenant, agreement or condition that this Agreement or any Closing Document requires Buyer to perform or observe.

11.3 Limitations. Neither party shall have any liability to the other party under this **Section 11** or with respect to any breach of any representation or warranty in this Agreement unless and until the other party sustains or incurs cumulative Losses of at least \$75,000. Should

either party sustain such Losses, however, the other party shall indemnify such party against all such Losses, including the first \$75,000. Neither party shall have any liability to the other party for Losses in excess of the sum of \$2,130,000 and any Losses arising from the breach of any representation or warranty in **Sections 8.5 and 8.18** of this Agreement.

11.4 Offset and Escrow. If Buyer sustains or incurs any Losses subject to the indemnification required by **Section 11.1**, Buyer may, in addition to all other remedies available at law, in equity or under this Agreement, (i) offset those Losses against Buyer's obligation to pay the Deferred Amount or (ii) obtain a release of the Escrow Deposit in an amount sufficient to reimburse Buyer for any or all such Losses, in accordance with the escrow agreement attached as **Exhibit 4**.

## **12. COVENANTS AND AGREEMENTS**

The parties covenant and agree as follows:

12.1 Expenses. Each party shall bear all expenses incurred by its agents in connection with the preparation, execution, delivery and performance of this Agreement and the consummation of the transactions that it contemplates including, without limitation, all fees and expenses of agents, representatives, counsel and accountants.

12.2 Further Assurances. Each party shall execute such documents and other papers and take such further actions as may be reasonably required or desirable to carry out the execution, delivery and performance of this Agreement and the consummation of the transactions that it contemplates.

12.3 No Brokers. Buyer, Seller and Principals each represent and warrant to the others that it has dealt with no broker or finder that would be entitled to a commission or fee by reason of the execution, delivery or performance of this Agreement or the consummation of the transactions that it contemplates.

12.4 Assignment of Contracts and Licenses. Seller shall use its best efforts to secure, within thirty (30) days after the Closing Date, all consents and approvals from parties to contracts, licenses, leases or other agreements with Seller that may be required in connection with the assignment to Buyer of Seller's rights under such agreements.

12.5 Tax Certificates. Within thirty days after the Closing Date Seller shall deliver to Buyer tax and unemployment insurance clearance letters from the Arizona Department of Revenue and the Arizona Department of Economic Security, all in form and content acceptable to Buyer.

## **13. RESTRICTIVE COVENANTS**

Except on behalf of Buyer, for three (3) years after the Closing Date, Seller and Principals shall not, directly or indirectly, (1) use or disclose any Confidential Information, except in connection with Principals' duties under the Employment Agreements; (2) induce any person employed by Buyer to leave his or her employment; (3) solicit the employment of any such person on behalf of Seller, Principals or any other individual or entity; (4) knowingly or

willfully interfere with any of Buyer's business relationships; or (5) engage or participate in any business activity or enterprise that directly competes with Seller's products, either in existence or contemplated as of the date of this Agreement (which include a tee time reservation system, a hotel rate management system and a transaction monitor communication system), or any related business activity. Each Principal's obligations under **Section 13(5)** shall cease upon Buyer's termination of that Principal's employment in violation of his Employment Agreement or the Principal's termination of his employment for cause in accordance with his Employment Agreement. Nothing in this **Section 13** shall prevent Principals from (a) owning less than five percent (5%) of any class of securities issued by any entity whose securities are listed for trading on any national securities exchange in the United States or quoted on the Nasdaq National Market System; or (b) performing services as a computer programmer or computer consultant, as long as those services do not relate to any product or service expressly identified in this **Section 13**.

#### **14. SELLER'S LIQUIDATION**

There shall be no limitation on the ability of the Principals to liquidate the Seller at any time after the Closing Date. If the Principals advise the Buyer of the liquidation of Seller, all rights and obligations of the Seller shall automatically become the rights and obligations of the Principals; provided, however, that in no event shall the rights and obligations of the Principals exceed those of the Seller immediately preceding such liquidation. It is expressly provided herein that following the delivery of written notice by the Principals to the Buyer regarding the liquidation of the Seller, all installments of the Purchase Price deliverable to the Seller following the Closing shall be delivered to the Principals directly in equal portions.

#### **15. NOTICES**

Any notice or other communication required or permitted to be provided under this Agreement shall be in writing and shall be delivered by personal delivery, overnight courier service, or certified mail, return receipt requested, to the applicable party at the following address (or to such other address as such party shall designate by notice given in accordance with this **Section 15**):

If to Buyer:

Vision Technologies, LLC  
6131 East Huntress Drive  
Paradise Valley, Arizona 85253  
Attn.: Larry Lippon

With a copy to:

Brown & Bain, P.A.  
2901 North Central Avenue, Suite 2000  
Phoenix, Arizona 85012  
Attn.: Charles Van Cott

If to Seller:

Advanced Network and Database Systems, Inc.  
6220 East Thomas Road, Suite 300  
Scottsdale, Arizona 85251

With a copy to:

Snell & Wilmer, L.L.P.  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004  
Attn.: Samuel C. Cowley

If to Principals:

David McNally  
6220 East Thomas Road, Suite 300  
Scottsdale, Arizona 85251

Scott Lloyd  
6220 East Thomas Road, Suite 300  
Scottsdale, Arizona 85251

With a copy to:

Snell & Wilmer, L.L.P.  
One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004  
Attn.: Samuel C. Cowley

## 16. GENERAL

16.1 Binding Effect; Assignments. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives. Buyer may transfer its rights and obligations under this Agreement to any entity that survives Buyer's acquisition by a merger or consolidation or that purchases all or substantially all of Buyer's assets. No party may make any other assignment of rights or obligations under this Agreement for any reason without the express written consent of the other parties.

16.2 Entire Agreement. This Agreement (including Exhibits) and the Closing Documents contain the entire agreement among the parties with respect to the purchase of the Assets, and there are no other agreements or understandings, express or implied, between the parties.

16.3 Further Assurances. All parties agree, promptly upon request, to take any actions and execute any further agreements or instruments that may be necessary or appropriate to give effect to the transactions contemplated by this Agreement.

16.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

16.5 Headings. The headings in this Agreement are included for reference only and shall not affect the interpretation of this Agreement.

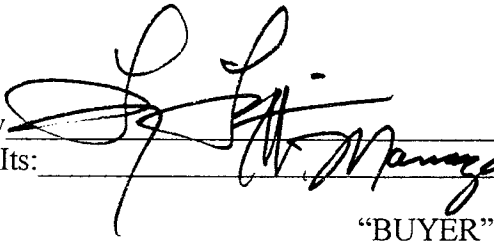
16.6 Severability. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision was omitted.



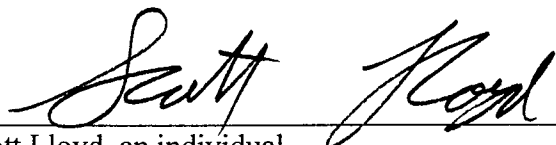
16.7 Waivers and Amendments. This Agreement may be amended, superseded, cancelled, renewed or extended, and its terms may be waived, only by a written instrument signed by each of the parties or, in the case of a waiver, by the party waiving compliance.

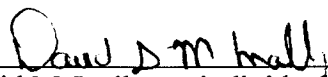
VISION TECHNOLOGIES, LLC,  
an Arizona limited liability company

ADVANCED NETWORK AND DATABASE  
SYSTEMS, INC., an Arizona corporation

By   
Its: \_\_\_\_\_  
"BUYER"

By   
Its: President  
"SELLER"

  
Scott Lloyd, an individual  
"PRINCIPAL"

  
David McNally, an individual  
"PRINCIPAL"

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**EXHIBIT 1**  
**LIST OF ASSETS<sup>1</sup>**

**I. Intellectual Property.**

- a. All existing or future rights under the patent application filed by ANDS for the GolfSwitch Software System under the title "Method and Device Implementing a Seamless User/Service Reservation Network."
- b. All copyrights, patent rights and rights under laws protecting trade secrets or other intellectual property rights to the Cashmere OLTP Suite, including (1) the Cashmere Multi-Threaded Server, (2) the Cashmere Client Library (DLL), (3) the Cashmere LRD Parsing Object, and (4) the Cashmere Server Monitor.
- c. All copyrights, patent rights and rights under laws protecting trade secrets or other intellectual property rights to the Solicitation Management System, including (1) the Solicitation Data Management System, (2) the Integrated Reservation System Load, (3) the Electronic File Format Generation for Consortium Rates, and (4) the GDS Department Interface.
- d. All trademarks and tradenames owned by Seller.
- e. All rights under Seller's licenses of third-party software products.

**II. Tangible Property.**

- a. All furniture owned by Seller and located in Seller's offices at 6220 East Thomas Road, Suites 300 and 301, Scottsdale, Arizona 85251 (the "Offices").
- b. All computers and related hardware located in the Offices.
- c. All computer reference material located in the Offices.
- d. All electronic equipment at the Offices, including, but not limited to refrigerator, coffee maker and microwave oven.
- e. All rights of Seller under furniture leases.
- f. All rights of Seller under leases of paging systems and equipment.
- g. All rights of Seller under the Lease Agreement and Purchase Option by and between Seller and Sanwa Leasing Corporation, dated September 24, 1996.
- h. All rights of Seller under the Lease Agreement (No. 006054817-001) by and between Seller and Dell Financial Services, L.P., dated October 2, 1998.

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<sup>1</sup> Each capitalized term not otherwise defined carries the same meaning as in the Agreement.

- i. All rights of Seller under the Lease Agreement (No. 006054817-002) by and between Seller and Dell Financial Services, L.P., dated April 6, 1999.

### III. Real Property.

- a. All rights of Seller under the Proposal for Lease by and between Seller and Anthem properties, dated November 21, 1998, and the First Amendment to Lease by and between Seller and Anthem properties, dated March 12, 1999.

### IV. Contracts and Other Agreements.

- a. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and EZ Links Golf, Inc., dated November 13, 1997.
- b. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Preferred Tee Times, dated November 18, 1997.
- c. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Raven Golf, dated January 9, 1998.
- d. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and GuaranTEE Time, Inc., dated January 13, 1998.
- e. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Grayhawk Golf Club, dated June 15, 1998.
- f. Software License Agreement (Cashmere) by and between Seller and Golf Digest Information Systems, Inc., dated June 15, 1997.
- g. Software Development Agreement by and between Seller and Golf Digest Information Systems, Inc., dated June 16, 1997.
- h. Guarantee, Section 17 of the GolfSwitch Service Agreement by and between GolfSwitch, Inc. and The Leisure Company, dated March 20, 1998 (as amended).
- i. Restricted Software License Agreement (GolfSwitch) by and between Seller and Resort Suites, dated August 3, 1998.
- j. Reciprocal Non-Disclosure Agreement by and between Seller and Double Eagle Software, dated January 12, 1998.
- k. Reciprocal Non-Disclosure Agreement by and between Seller and Golf Management Systems, dated February 20, 1998.
- l. Reciprocal Non-Disclosure Agreement by and between Seller and TicketMaster, dated February 20, 1998.
- m. Non-Disclosure Agreement by and between Seller and Galileo International, L.L.C., dated February 17, 1998.

- n. No-Shop Agreement by and between Seller and CAC Golf, dated July 21, 1998.
- o. User Agreement (Website Administration)—Terms and Conditions by and between Seller and PFT of America, dated November 1, 1997.
- p. User Agreement (Website Administration)—Terms and Conditions by and between Seller and Impact Music, dated August 1, 1998.
- q. Software License Agreement (SMS) by and between Seller and Utell International, dated September 29, 1997.
- r. Rate Collection/Distribution and RFP Management System Proposal by and between Seller and Hilton Hotels Corporation, dated March 26, 1999.
- s. Software Engineering Services Agreement by and between Seller and The Leisure Company, pursuant to proposal by Seller dated May 12, 1999.

V. Insurance Policies.

- a. Policy with BlueCross BlueShield of Arizona, effective June 1, 1998.

**EXHIBIT 2**  
**EXCLUDED ASSETS**

1. All Accounts invoiced by Seller as of the Closing Date.
2. All cash and bank account holding of Seller as of the Closing Date.
3. All personal effects of Seller's employees located in the Offices.
4. A two (2) drawer metal filing cabinet currently located in David McNally's office.
5. All books marked Easton Press (Reading Books).
6. 1988 Lotus Turbo Esprit (David McNally).
7. 1996 GMC Truck (Lease) Scott Lloyd.
8. 1994 Fleetwood Recreational Vehicle (Scott Lloyd).
9. All equipment that is owned by Tlinks and located at the Offices, including (a) two (2) VCX 100 models, (b) an Alliance V.32 model (c) a TTY port, (d) five (5) Maxtech modems, (e) a tape drive, (f) an SCSI controller, (g) an IBM 3151 monitor, (h) an IBM Powerserver, (i) an IBM keyboard, and (j) two (2) boxes of miscellaneous equipment.
10. All items listed in **Exhibit 12** that are marked with an asterisk (\*).

## EXHIBIT 12

### REPRESENTATIONS AND WARRANTIES

8.2 Exceptions to No Breach Representation.

Any option to terminate, unwaived prohibition against assignment or similar provision in any agreement or document listed in this **Exhibit 12**.

8.3 Financial Statements.

Financial Statements for fiscal year 1998 have not been completed as of the Closing Date and will not be provided to Buyer before the Closing.

8.4 Material Adverse Changes.

None.

8.5 Tax Matters.

- a. Federal income tax returns remain subject to audit for a period of three (3) years following the filing thereof. Accordingly, Seller's returns for the years 1996-1998 remain open to audit.
- b. State income tax returns remain subject to audit for a period of four (4) years following the filing thereof. Accordingly, Seller's returns for the years 1995-1998 remain open to audit.
- c. State, municipal, and other taxes payable by Seller, such as property and sales taxes, remain subject to audit for various periods of time.
- d. Seller has not filed its tax return for fiscal year 1998. Seller has filed extensions with the Internal Revenue Service and the Arizona Department of Revenue.

8.6 Capital Structure.

Authorized: 100,000 shares of common stock, \$1.00 par value

Issued and Outstanding: 10,000 shares

<i>Stockholder</i>	<i>Number of Shares</i>
Scott A. Lloyd	5,000
David S. McNally	5,000

8.8 Permits.

- a. City of Scottsdale Alarm User Permit No. 819786.
- b. City of Scottsdale Business Occupational and Professional License No. 85283.
- c. Arizona Department of Revenue Transaction Privilege Tax License No. 07/696631-D.

8.10 Contracts and Other Agreements.

- a. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and EZ Links Golf, Inc., dated November 13, 1997.
- b. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Preferred Tee Times, dated November 18, 1997.
- c. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Raven Golf, dated January 9, 1998.
- d. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and GuarantEE Time, Inc., dated January 13, 1998.
- e. User Agreement (GolfSwitch)—Terms and Conditions by and between Seller and Grayhawk Golf Club, dated June 15, 1998.
- f. Software License Agreement (Cashmere) by and between Seller and Golf Digest Information Systems, Inc., dated June 15, 1997.
- g. Software Development Agreement by and between Seller and Golf Digest Information Systems, Inc., dated June 16, 1997.
- h. Guarantee, Section 17 of the GolfSwitch Service Agreement by and between GolfSwitch, Inc. and The Leisure Company, dated March 20, 1998 (as amended).
- i. Restricted Software License Agreement (GolfSwitch) by and between Seller and Resort Suites, dated August 3, 1998.
- j. Reciprocal Non-Disclosure Agreement by and between Seller and Double Eagle Software, dated January 12, 1998.
- k. Reciprocal Non-Disclosure Agreement by and between Seller and Golf Management Systems, dated February 20, 1998.
- l. Reciprocal Non-Disclosure Agreement by and between Seller and TicketMaster, dated February 20, 1998.

- m. Non-Disclosure Agreement by and between Seller and Galileo International, L.L.C., dated February 17, 1998.
- n. No-Shop Agreement by and between Seller and CAC Golf, dated July 21, 1998.
- o. User Agreement (Website Administration)—Terms and Conditions by and between Seller and PFT of America, dated November 1, 1997.
- p. User Agreement (Website Administration)—Terms and Conditions by and between Seller and Impact Music, dated August 1, 1998.
- q. Software License Agreement (SMS) by and between Seller and Utell International, dated September 29, 1997.
- r. Rate Collection/Distribution and RFP Management System Proposal by and between Seller and Hilton Hotels Corporation, dated March 26, 1999.
- s. Software Engineering Services Agreement by and between Seller and The Leisure Company, pursuant to proposal by Seller dated May 12, 1999.
- t. GolfSwitch Operations and Software Services Agreement by and between Seller and GolfSwitch, Inc., dated August 1, 1998.\*
- u. Software License Agreement (Cashmere) by and between Seller and GolfSwitch, Inc., dated October 15, 1998.\*
- v. Non-Competition Agreement by and among Seller, GolfSwitch, Inc., Scott Lloyd and David McNally, dated October 15, 1998.\*
- w. Software Source Code Escrow Agreement (Cashmere) by and between Seller and Arizona Escrow & Financial Corporation, dated October 22, 1998.\*
- x. Loan Agreement and Promissory Note by and between Seller and GolfSwitch, Inc., dated October 22, 1998.\*
- y. Security (Pledge) Agreement by and between Seller and GolfSwitch, Inc., dated October 22, 1998.\*
- z. Closing Agreement by and among Seller, GolfSwitch, Inc. and the Investors (as defined in the Closing Agreement), dated October 22, 1998.\*
- aa. Agreement by and between Seller and Bruce Halvax, dated October 22, 1998.\*
- bb. Reimbursement Agreement by and between Seller and Bruce Halvax, dated October 22, 1998.\*

\* designates an agreement that will be terminated on or about the Closing Date



8.11 Real Property.

- a. All rights of Seller under the Proposal for Lease by and between Seller and Anthem properties, dated November 21, 1998, and the First Amendment to Lease by and between Seller and Anthem properties, dated March 12, 1999.

8.12 Tangible Property.

- a. All furniture owned by Seller and located in Seller's offices at 6220 East Thomas Road, Suites 300 and 301, Scottsdale, Arizona 85251 (the "Offices").
- b. All computers and related hardware located in the Offices.
- c. All computer reference material located in the Offices.
- d. All electronic equipment at the Offices, including, but not limited to refrigerator, coffee maker and microwave oven.
- e. All rights of Seller under furniture leases.
- f. All rights of Seller under leases of paging systems and equipment.
- g. All rights of Seller under the Lease Agreement and Purchase Option by and between Seller and Sanwa Leasing Corporation, dated September 24, 1996.
- h. All rights of Seller under the Lease Agreement (No. 006054817-001) by and between Seller and Dell Financial Services, L.P., dated October 2, 1998.
- i. All rights of Seller under the Lease Agreement (No. 006054817-002) by and between Seller and Dell Financial Services, L.P., dated April 6, 1999.

8.13.1. Intellectual Property.

- a. All existing or future rights under the patent application filed by ANDS for the GolfSwitch Software System under the title "Method and Device Implementing a Seamless User/Service Reservation Network."
- b. All copyrights, patent rights and rights under laws protecting trade secrets or other intellectual property rights to the Cashmere OLTP Suite, including (1) the Cashmere Multi-Threaded Server, (2) the Cashmere Client Library (DLL), (3) the Cashmere LRD Parsing Object, and (4) the Cashmere Server Monitor.
- c. All copyrights, patent rights and rights under laws protecting trade secrets or other intellectual property rights to the Solicitation Management System, including (1) the Solicitation Data Management System, (2) the Integrated Reservation System Load, (3) the Electronic File Format Generation for Consortium Rates, and (4) the GDS Department Interface.

- d. All trademarks and tradenames owned by Seller.
- e. All rights under Seller's licenses of third-party software products.

8.13.2 Exceptions to Intellectual Property Rights.

None.

8.14 Exceptions to Good and Marketable Title to Assets.

None.

8.15 Liabilities.

Any liabilities that result from the execution, delivery or performance of this Agreement and the transactions that it contemplates.

8.16 Customers.

- a. EZ Links Golf, Inc.
- b. Preferred Tee Times
- c. Raven Golf
- d. GuaranTEE Time, Inc.
- e. Grayhawk Golf Club
- f. Golf Digest Information Systems, Inc.
- g. Resort Suites
- h. PFT of America
- i. Impact Music
- j. Utell International
- k. Hilton Hotels Corporation
- l. The Leisure Company
- m. Piper Sales
- n. Groundskeeper
- o. GDSS

Suppliers

- a. Aaron Rents
- b. Airborne
- c. Airtouch Cellular
- d. American Family Insurance
- e. Anthem Properties
- f. Arizona Republic
- g. Arthur Spoon
- h. AzCom Paging
- i. BlueCross BlueShield of Arizona
- j. Canyon Ribbon
- k. Cellular One

- l. Dell Financial Services, L.P.
- m. Federal Express
- n. Frontier
- o. Hinckley & Schmidt
- p. Office Max
- q. Network Solutions
- r. Precision Computer
- s. PI
- t. Sanwa Leasing Corporation
- u. Snell & Wilmer, L.L.P.
- v. Sprint
- w. Tech Net
- x. United Parcel Service
- v. Wyle<sup>2</sup>

8.20 Insurance Policies.

- a. Policy with BlueCross BlueShield of Arizona, effective June 1, 1998.
- b. Policy with American Family Mutual Insurance Company, effective December 27, 1997.\*

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<sup>2</sup> Seller terminated its relationship with Wyle less than twelve (12) months before the date of this Agreement.

**JOINT ACTION BY UNANIMOUS WRITTEN CONSENT  
OF THE SHAREHOLDERS  
AND THE BOARD OF DIRECTORS  
OF  
ADVANCED NETWORK & DATABASE SYSTEMS, INC.  
IN LIEU OF SPECIAL MEETING**

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May 20, 1999

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Pursuant to Sections 10-704 and 10-821 of the Arizona Revised Statutes, the undersigned, being all the shareholders and all of the directors of Advanced Network & Database Systems, Inc., an Arizona corporation (the "Corporation"), hereby unanimously consent to the adoption of the following resolutions without the formality of convening special meetings of the shareholders and of the directors, for and as the actions of the Corporation, as of the date set forth above:

**Sale of All or Substantially All of the Assets of the Corporation:**

**RESOLVED**, that the Board of Directors deems that it is in the best interests of the Corporation and its shareholders that substantially all of the assets of the Corporation be sold, conveyed and transferred to Vision Technologies, LLC (the "Transaction") in accordance with the terms and conditions set forth in the Asset Purchase Agreement dated May 20, 1999 (the "Agreement"), a copy of which is attached hereto as Exhibit A and incorporated herein by reference; and

**FURTHER RESOLVED**, that the Transaction in accordance with the terms and conditions set forth in the Agreement is hereby ratified and approved by the directors and shareholders of the Corporation; and

**FURTHER RESOLVED**, the President of the Corporation be, and he hereby is, authorized, empowered, and directed for and on behalf of the Corporation to execute the Agreement with such changes and amendments as he in his discretion deems appropriate and any related agreements and documents in connection with the Transaction, including but not limited to that certain Settlement, Waiver and Release Agreement attached hereto as Exhibit B, and to do such actions and things that such officer deems necessary or advisable to consummate the Transaction; and

**FURTHER RESOLVED**, that the appropriate officers of the Corporation be, and each hereby is, authorized to execute, file, and deliver any and all other documents, papers, or instruments and to do or cause to be done any and all such acts and things as they may deem necessary or advisable in order to carry out the purposes and intent of the foregoing resolutions and to consummate the Transaction.

**Ratification of Prior Acts:**

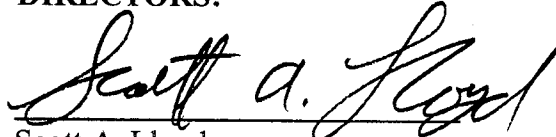
**RESOLVED**, that any and all acts previously preformed and documents previously executed by any of the officers or directors of the Corporation or any of them prior to the adoption of these resolutions, which would have been within the authority conferred hereby if done prior to the date these resolutions are adopted, are hereby ratified, approved, and confirmed in all respects.

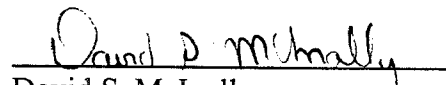
**In General:**

**RESOLVED**, that the appropriate officers of the Corporation be, and each hereby is, authorized to execute file, and deliver any and all other documents, papers, or instruments and to do or cause to be done any and all such acts and things as they may deem necessary or advisable in order to carry out the purposes and intent of the foregoing resolutions.

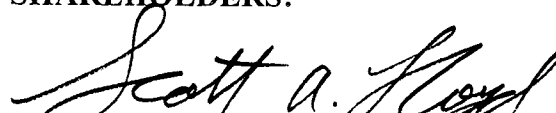
**RESOLVED**, that the foregoing resolutions are adopted and shall be effective as of the date set forth above.

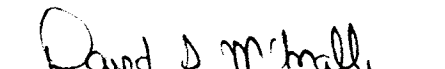
**DIRECTORS:**

  
Scott A. Lloyd

  
David S. McNally

**SHAREHOLDERS:**

  
Scott A. Lloyd

  
David S. McNally