

700504491 04/30/2013

Form PTO-1595 (Rev. 06-12)
OMB No. 0651-0027 (exp. 04/30/2015)

05/08/2013



U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

103657989

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

Re: 5/8/13

1. Name of conveying party(ies)

TRUSTATE LLC

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) 2-29-08

- Assignment
- Security Agreement
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Name: TruState International Inc.

Internal Address: _____

Street Address: Chamberlain Place

Broad Street

City: Bridgetown

State: _____

Country: Barbados

Zip: _____

Additional name(s) & address(es) attached? Yes No

4. Application or patent number(s):

This document serves as an Oath/Declaration (37 CFR 1.63).

A. Patent Application No.(s)

B. Patent No.(s)

11/830,891 and 12/616,493

Additional numbers attached? Yes No

5. Name and address to whom correspondence concerning document should be mailed:

Name: IP Docket Administrator

Internal Address: Gibbons P.C.

Street Address: One Gateway Center

City: Newark

State: NJ

Zip: 07102

Phone Number: 973-596-4500

Docket Number: 107450-59911& 67451

Email Address: IPDocket@gibbonslaw.com

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 80

Authorized to be charged to deposit account

Enclosed

None required (government interest not affecting title)

8. Payment Information

Deposit Account Number 03-3839

Authorized User Name Thomas J. Bean

9. Signature:

Signature

April 30, 2013

Date

Thomas J. Bean

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

65

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

CH \$80.00 033839 11830891

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT made as at February 29, 2008,

BETWEEN:

TRUSTATE INTERNATIONAL INC., an international business corporation incorporated under the laws of Barbados,

(hereinafter referred to as the "**Purchaser**")

- and -

TRUSTATE LLC, a limited liability company under the laws of the State of Delaware,

(hereinafter referred to as the "**Vendor**")

- and -

THE MEMBERS OF THE VENDOR LISTED ON SCHEDULE 1 HERETO,

(hereinafter collectively referred to as the "**Members**")

WHEREAS the Vendor is in the business of providing security products and related deployment and support services (the "**Business**");

AND WHEREAS the Members constitute all of the members of the Vendor as at the date hereof;

AND WHEREAS the Purchaser desires to purchase certain of the assets and assume certain of the liabilities of the Business from the Vendor, and the Vendor desires to sell such assets to the Purchaser and have the Purchaser assume such liabilities of the Business, all upon the terms and subject to the conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the foregoing and the representations, warranties, covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), the Parties hereby agree as follows:

Article I DEFINITIONS

1.1 Definitions.

The following terms, as used herein, have the following meanings:

- (a) "**Accounts Receivable**" means accounts receivable, bills receivable, trade accounts, book debts and insurance claims relating to the Business, whether or not accrued, whether or not billed, whether or not recorded as receivable in the Books and Records and without any allowance for doubtful accounts, and any

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other amount due to the Vendor relating to the Business, including any refunds and rebates receivable relating to the Business or the Purchased Assets, and the benefit of all security (including cash deposits), guarantees and other collateral, held by the Vendor relating to the Business;

- (b) **"Additional Agreements"** means each of the Conveyance Documents, the Repurchase Option Agreement and the Management Services Agreements;
- (c) **"Affiliate"** means, with respect to any Person, at the time such determination is being made, any Person directly or indirectly controlling, controlled by, or under common control with such other Person, in each case, whether directly or indirectly, and **"control"** and any derivation of that term means the possession, directly or indirectly, of the power to direct or significantly influence the management and policies, business or affairs of a Person whether through the ownership of voting securities or otherwise. With respect to any natural person, the term Affiliate shall also include any member of said person's immediate family, any family limited partnership for said person and any trust, voting or otherwise, of which said person is a trustee or of which said person or any of said person's immediate family is a beneficiary. For avoidance of any doubt,
 - (i) with respect to all periods prior to the Closing, each Member shall be deemed to be an Affiliate of the Vendor; and
 - (ii) with respect to all periods subsequent to the Closing, the Purchaser shall be deemed to be an Affiliate of the Vendor;
- (d) **"Annual Financial Statements"** means the unaudited financial statements of the Vendor for the fiscal year ended December 31, 2007, consisting of a balance sheet and statements of earnings and retained earnings and changes in financial position of the Vendor and all notes thereto;
- (e) **"Arbitrator"** shall have the meaning attributed thereto in Section 11.1 hereof;
- (f) **"Assignment and Assumption Agreement"** means the assignment and assumption in the form attached hereto as Exhibit 1;
- (g) **"Assumed Liabilities"** shall have the meaning attributed thereto in Section 2.4 hereof;
- (h) **"Authors"** shall have the meaning attributed thereto in Section 3.26(a) hereof;
- (i) **"Benefit Plans"** means plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, registered or unregistered, to which the Vendor is a party or by which the Vendor is bound or in which or pursuant to which current or former employees, directors or officers of the Vendor or individuals working on contract with or providing services to the Vendor (or any spouses, dependents, survivors or beneficiaries of any such persons) participate or receive benefits, or under which the Vendor has, or shall have, any liability or contingent liability, which constitute:

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- (i) Pension Plans;
- (ii) insurance plans providing for employment benefits relating to disability or wage or benefits continuation during periods of absence from work (including, short term disability, long term disability, workers compensation and maternity and parental leave), and any and all employment benefits relating to hospitalization, healthcare, medical or dental treatments or expenses, life insurance, accidental death and dismemberment insurance, death or survivor's benefits and supplementary employment insurance, in each case regardless of whether or not such benefits are insured or self-insured; or
- (iii) compensation plans, meaning all employment benefits relating to bonuses, incentive pay or compensation, performance compensation, deferred compensation, profit sharing or deferred profit sharing, share purchase, share option, stock appreciation, phantom stock, vacation or vacation pay, sick pay, severance or termination pay, employee loans or separation from service benefits, or any other type of arrangement providing for compensation or benefits additional to base pay or salary;
- (j) "**Books and Records**" means all books and records of the Vendor or any of its Affiliates relating to the Business or the Purchased Assets, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, surveys, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise including all data and information stored on computer-related or other electronic media;
- (k) "**Business**" shall have the meaning attributed thereto in the first recital hereof;
- (l) "**Business Day**" means any day other than a Saturday, Sunday or a legal holiday on which commercial banking institutions in Bridgetown, Barbados are not open for business;
- (m) "**Charter Documents**" shall have the meaning attributed thereto in Section 3.3 hereof;
- (n) "**Closing**" means the completion of the sale to and the purchase by the Purchaser of the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities pursuant to this Agreement;
- (o) "**Closing Date**" means February 29, 2008, or such other date as the Parties may agree in writing as the date upon which the Closing shall take place;
- (p) "**Code**" means the *Internal Revenue Code of 1986*, as amended from time to time.
- (q) "**Contracts**" means contracts, licences, leases, agreements, commitments, purchase orders, entitlements or engagements to which the Vendor is a party or by which the Vendor is bound or under which the Vendor has, or shall have, any

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liability or contingent liability relating to the Business or the Purchased Assets, whether written or oral, including any warranty, guarantee or commitment (express or implied);

- (r) **"Conveyance Documents"** shall have the meaning attributed thereto in Section 10.2(b) hereof;
- (s) **"Defaulted Contract"** shall have the meaning attributed thereto in Section 2.4(c)(i) hereof;
- (t) **"Documentation"** means the functional design specifications and associated set of user manuals relating to the Software;
- (u) **"Employees"** means those individuals employed or retained by the Vendor, on a full-time, part-time or temporary basis, relating to the Business, including those employees of the Business on disability leave, parental leave or other absence;
- (v) **"Employment Agreements"** shall have the meaning attributed thereto in Section 3.39 hereof;
- (w) **"Employment Laws"** means all Laws relating to employees including employment standards, occupational health and safety laws, workers' compensation, human rights, labour relations, pay equity and employment equity;
- (x) **"Encumbrance"** means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, including any agreement to give any of the foregoing and any conditional sale and including any voting agreement or proxy;
- (y) **"Environmental Claim"** means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of non-compliance or violation by any person (including any Governmental Authority) alleging potential liability (including, without limitation, potential responsibility for or liability for enforcement, investigatory costs, cleanup costs, governmental response costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from (i) the presence, or Release or threatened Release into the environment, of any Hazardous Materials at any location, whether or not owned, operated, leased or managed by the Vendor, (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law, or (iii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence or Release of any Hazardous Materials;
- (z) **"Environmental Laws"** means all applicable Laws relating to the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or protection of human health as it relates to the environment including, without limitation, relating to (i) Releases of Hazardous Materials, (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or (iii) management of asbestos in buildings;

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- (aa) **"Equipment Contracts"** means motor vehicle leases, equipment leases, leases of computer hardware and computer systems, conditional sales contracts, title retention agreements and other similar agreements binding upon the Vendor in respect of equipment and vehicles used by the Vendor relating to the Business;
- (bb) **"ERISA"** means the *Employment Retirement Income Security Act of 1974*, as amended from time to time;
- (cc) **"Excluded Assets"** shall have the meaning attributed thereto in Section 2.2 hereof;
- (dd) **"Excluded Liabilities"** shall have the meaning attributed thereto in Section 2.5 hereof;
- (ee) **"Excluded Persons"** shall have the meaning attributed thereto in Section 6.2 hereof;
- (ff) **"Financial Statement"** means, collectively, the Annual Financial Statement and the Interim Financial Statement;
- (gg) **"Financial Statement Date"** means December 31, 2007;
- (hh) **"GAAP"** means U.S. generally accepted accounting principles;
- (ii) **"Goodwill"** means the goodwill of the Business, together with the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor and the right to use any words indicating that the Business is so carried on, including the right to use the name TruState International, SecureView and InsureView and any variations of such name or part of such name as part of the name of or in connection with the Business or any part of the Business carried on or to be carried on by the Purchaser, and also including all restrictive agreements and negative covenant agreements which the Vendor may have with Employees, past or present, the right of the Vendor in the telephone number or numbers listed in the name of the Vendor and/or any trade name used by the Vendor in the Business and all customer lists;
- (jj) **"Governmental Authority"** means any government, regulatory or administrative body, agency or authority, bureau, official, any court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity:
 - (i) having or purporting to have jurisdiction on behalf of any nation, state, municipal, local or other geographic or political subdivision thereof; or
 - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (kk) **"Hardware"** means all servers, network equipment, machine tools, testing equipment, computers, related peripheral equipment and all other equipment and systems used in the Business and owned or leased by the Vendor, including any outstanding purchase orders for equipment yet to be delivered and including,

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without limitation, such equipment as listed and described under the heading "Hardware" in Schedule 3.26 attached hereto;

(ll) "Hazardous Materials" means (i) any petroleum or any by-products or fractions thereof, asbestos or asbestos-containing materials, urea formaldehyde foam insulation, any form of natural gas, explosives, polychlorinated biphenyls ("PCBs"), radioactive materials, ionizing radiation, electromagnetic field radiation or microwave transmissions; (ii) any chemicals, materials or substances, whether waste materials, raw materials or finished products, which are now defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous substances," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollutants," "contaminants" or words of similar import under any Environmental Law; and (iii) any other chemical, material or substance, whether waste materials, raw materials or finished products, regulated under any Environmental Law;

(mm) "Indebtedness" means with respect to any Person,

(i) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind (including amounts by reason of overdrafts and amounts owed by reason of letter of credit reimbursement agreements) including with respect thereto, all interests, fees and costs;

(ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(iii) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person;

(iv) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than accounts payable to creditors for goods and services incurred in the ordinary course of business);

(v) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or security interest on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;

(vi) all obligations of such Person under leases required to be accounted for as capital leases under GAAP; and

(vii) all guarantees by such Person other than inter-company guarantees;

(nn) "Indemnification Notice" shall have the meaning attributed thereto in Section 11.3 hereof;

(oo) "Indemnified Parties" shall have the meaning attributed thereto in Section 11.3 hereof;

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- (pp) **"Indemnifying Party"** shall have the meaning attributed thereto in Section 11.3 hereof;
- (qq) **"Interim Financial Statements"** means the unaudited financial statements of the Vendor for the one month period ended January 31, 2008, consisting of a balance sheet and statements of operations, retained earnings, cash flow and changes in financial position of the Vendor and all notes thereto;
- (rr) **"Interim Financial Statements Date"** means January 31, 2008;
- (ss) **"Law"** means applicable laws (including common law), statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgements, awards or requirements, in each case of any Governmental Authority;
- (tt) **"Leased Real Property"** means premises which are used by the Vendor relating to the Business and which are leased, subleased, licensed to or otherwise occupied by the Vendor and the interest of the Vendor in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situate on or forming part of such premises;
- (uu) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration or administrative proceeding or other proceeding or dispute resolution process, including any audit for taxes or otherwise;
- (vv) **"Loss(es)"** shall have the meaning attributed thereto in Section 11.1 hereof;
- (ww) **"Management Services Agreements"** shall have the meaning attributed thereto in Section 8.2(h) hereof;
- (xx) **"Material Adverse Change"** means a change, event or occurrence, with respect to the operations, condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), cash flow or prospects of the Business that has resulted or that could reasonably be expected to result in a Material Adverse Effect whether individually or as a whole; provided, however, without prejudicing whether any other matter qualifies as a Material Adverse Change, any matter involving a loss or payment in excess of \$10,000.00 shall be deemed to constitute a Material Adverse Change;
- (yy) **"Material Adverse Effect"** means a material adverse effect on the business, assets, condition (financial or otherwise), liabilities, results of operations or prospects of the Business individually or as a whole; provided, however, without prejudicing whether any other matter qualifies as a Material Adverse Effect, any matter involving a loss or payment in excess of \$10,000.00 shall be deemed to constitute a Material Adverse Effect;
- (zz) **"Members"** shall have the meaning attributed thereto in the Recitals;
- (aaa) **"Non-Assigned Contract"** shall have the meaning attributed thereto in Section 2.3(a) hereof;

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- (bbb) "**Office**" shall have the meaning attributed thereto in Section 3.1 hereof;
- (ccc) "**Orders**" means any decree, order, judgment, writ, award, injunction, rule or consent of or by a Governmental Authority;
- (ddd) "**Outside Closing Date**" means March 31, 2008;
- (eee) "**Parties**" means the Vendor, the Purchaser and the Members collectively, and "**Party**" means any one of them;
- (fff) "**Payment Shares**" shall have the meaning attributed thereto in Section 2.7(a)(ii) hereof;
- (ggg) "**Pension Plans**" means all plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, registered or unregistered to which the Vendor is a party or by which the Vendor is bound or under which the Vendor has or shall have any liability or contingent liability relating to retirement or retirement savings;
- (hhh) "**Permits**" shall have the meaning attributed thereto in Section 3.31 hereof;
- (iii) "**Person**" means any individual, sole proprietorship, partnership, limited partnership, firm, unincorporated association, unincorporated organization, syndicate, trust, joint venture, body corporate, Governmental Authority, and any other entity or organization of any nature whatsoever, and includes any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (jjj) "**Personal Information**" means any information in the possession or control of the Vendor about an identifiable individual, other than the name, title or business address or telephone number of an Employee;
- (kkk) "**Prepaid Expenses and Deposits**" means all amounts prepaid relating to the Business or the Purchased Assets including taxes, business taxes, rents, telephone, insurance and all deposits with any public utility or any Governmental Authority, but excluding income or other taxes which are personal to the Vendor;
- (lll) "**Proprietary Assets**" means all rights and interests in:
 - (i) all business and trade names, trademarks, copyrights, styles, marks, designs, signs, insignias, logos, symbols, names certification markers, official insignia, which used in any manner in the Business, including the "TruState" name and all derivations thereof;
 - (ii) all inventions, patents, patent rights, patent applications (including reissues, divisions, continuations, continuations-in-part and extensions of any patent or patent application), industrial designs and applications for registrations of industrial designs used in any manner in the Business;
 - (iii) all rights and interests in and to processes, notebooks, data, trade secrets, designs, know-how, and information, and manuals, technology,

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agency agreements, maskwork, maskwork application, trade secret, know-how, customer list, franchise, system, computer software, computer program, source code, model, algorithm, formula, compound, invention, design, blueprint, engineering drawing, proprietary product, technology, proprietary rights, technical information, technical assistance, design and engineering specifications, and similar materials recording or evidencing expertise or information used in any manner in the Business;

- (iv) the Websites;
 - (v) the Software;
 - (vi) the TruState Software;
 - (vii) all other intellectual and industrial property rights throughout the world used in any manner in the Business;
 - (viii) all licences of the intellectual property listed in items (i) to (vi) above;
 - (ix) all future income and proceeds from any of the intellectual property listed in items (i) to (vi) above and the licences listed in item (vii) above; and
 - (x) all rights to damages and profits by reason of the infringement of any of the intellectual property listed in items (i) to (viii) above.
- (mmm) "**Purchased Assets**" shall have the meaning attributed thereto in Section 2.1 hereof;
- (nnn) "**Purchase Price**" shall have the meaning attributed thereto in Section 2.6 hereof;
- (ooo) "**Purchaser Indemnitees**" shall have the meaning attributed thereto in Section 11.1 hereof;
- (ppp) "**Real Property**" means, collectively, all real properties and interests therein (including the right to use), together with all buildings, fixtures, trade fixtures, plant and other improvements located thereon or attached thereto; all rights arising out of use thereof (including air, water, oil and mineral rights); and all subleases, franchises, licenses, permits, easements and rights-of-way which are appurtenant thereto;
- (qqq) "**Real Property Leases**" means those agreements to lease, leases, subleases or licences or other agreements or rights (including space leases, long-term leases and ground leases) pursuant to which the Vendor uses or occupies the Leased Real Property;
- (rrr) "**Registered Proprietary Assets**" shall have the meaning attributed thereto in Section 3.25(a) hereof;

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- (sss) **"Release"** means a releasing, spilling, leaking, pumping, pouring, admitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping which is in breach of any Environmental Law;
- (ttt) **"Repurchase Option Agreement"** means the repurchase option agreement in the form attached hereto as Exhibit 3;
- (uuu) **"Restrictive Covenants"** shall have the meaning attributed thereto in Section 6.4 hereof;
- (vvv) **"Rights"** shall have the meaning attributed thereto in Section 2.3 hereof;
- (www) **"Shares"** means Common Shares without par value in the capital of the Purchaser, as such shares are constituted on the date hereof;
- (xxx) **"Software"** means the TruState Software and Third Party Software and any source code or object used in the conduct of the Business;
- (yyy) **"Software Licences"** means the licences in respect of the Third Party Software used by the Vendor in the Business, including, without limitation, those licenses as listed and described in Schedule 3.26 attached hereto;
- (zzz) **"Tangible Assets"** means fixed assets, machinery, equipment, including the Hardware, telecommunications equipment, fixtures, furniture, furnishings, vehicles, material handling equipment, implements, parts, tools, jigs, dies, molds, patterns and tooling, spare parts owned or used or held by the Vendor relating to the Business, including any which are in storage or in transit, and other tangible property and facilities used in the Business whether located in or on the premises of the Vendor or elsewhere;
- (aaaa) **"Tax(es)"** means any federal, state, local or foreign tax, duty, fee, premium, assessment, charge, impost, levy, deficiency, or other assessment of any kind or nature imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including, without limitation, those levied on, or measured by, or referred to as, income (net or gross), alternative minimum, gross receipts, profits, capital, transfer, land transfer, sales, use, ad valorem, franchise, business, license, withholding, employment, social security, workers compensation, unemployment compensation, transfer, excise, stamp, import, real property, development, personal property, intangible property, occupancy, employer health, payroll, employment, health, social services, education, social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, recording, minimum, environmental or estimated tax, including any liability therefor as a transferee (including without limitation under Section 6901 of the Code or similar provision of applicable law), as a result of Treasury Regulation Section 1.1502-6 or similar provision of applicable law or as a result of any Tax sharing indemnification or similar agreement, together with any interest, penalty and additions to tax imposed with respect thereto;
- (bbbb) **"Tax Return"** means any return, declaration, information return, claim for refund or credit, report or any similar statement, and any amendment thereto, including

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any attached schedule and supporting information filed or required to be filed with any Governmental Authority in connection with the determination, assessment, collection or payment of a Tax or the administration of any law, rule or regulation relating to any Tax;

- (cccc) **"Third Party"** shall have the meaning attributed thereto in Section 2.3 hereof;
- (dddd) **"Third Party Claim"** shall have the meaning attributed thereto in Section 11.3 hereof;
- (eeee) **"Third Party Software"** means any software, object code or source code developed and owned by a third party used by the Vendor in connection with the Business or Software and as listed and described in Schedule 3.26 attached hereto;
- (ffff) **"Time of Closing"** means 10:00 o'clock a.m. (Bridgetown, Barbados time) on the Closing Date or such other time on such date as the Parties may agree in writing as the time at which the Closing shall take place;
- (gggg) **"TruState Software"** means the Software including, without limitation, the software known as SecureView except for any Third Party Software;
- (hhhh) **"UCC"** shall mean the Uniform Commercial Code of the State of Delaware and similar legislation in any other jurisdiction where the Business is carried on, or any corresponding or succeeding provisions of Laws of the State of or such other jurisdiction, or any corresponding or succeeding provisions of Laws, in each case as the same may have been and hereafter may be adopted, supplemented, modified, amended, restated or replaced from time to time;
- (iiii) **"Units"** means the issued and outstanding membership interests of the Vendor;
- (jjjj) **"Unregistered Proprietary Assets"** shall have the meaning attributed thereto in Section 3.25(b) hereof;
- (kkkk) **"Vendor Consents"** shall have the meaning attributed thereto in Section 3.14 hereof;
- (llll) **"Vendor Indemnitees"** shall have the meaning attributed thereto in Section 11.2 hereof; and
- (mmmm) **"Vendor Consents"** shall have the meaning attributed thereto in Section 3.14 hereof;
- (nnnn) **"Website Rules"** shall have the meaning attributed thereto in Section 3.30(c) hereof;
- (oooo) **"Websites"** means all domain names, urls and websites used in the Business, including the **www.trustate.com** domain name.

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contractually by the Vendor, or (iii) any real personal property or operations which the Vendor owns, leases or operates, in whole or in part.

3.36 Employees.

Schedule 3.36 sets forth a true and complete list of the names, titles, annual salaries or wage rates and other compensation, vacation and fringe benefits, claims under benefit plans, resident alien status (if applicable), residence addresses, social security numbers, relationship to any Member and office location of all Employees, indicating part-time and full-time employment and all changes in salaries and wage rates per employee since the Financial Statements Date. Neither the Vendor nor the Members has promised any employee, consultant or agent of the Vendor that he or she shall be employed by or receive any particular benefits from the Purchaser or the Purchaser on or after the Closing. Schedule 3.36 sets forth a true and complete list of the names, addresses and titles of the directors and officers of the Vendor.

3.37 Compliance with Employment Laws.

The Vendor has complied in all material respects with all applicable Employment Laws and Orders relating to employment or labor. To the knowledge of the Vendor, no such Law or Order requires the Purchaser to give any notice, make any filing, receive any approval, or take any other action to, with, or from or with respect to any Governmental Authority in connection with the transactions contemplated hereby. There is no legal prohibition with respect to the permanent residence of any employee of the Vendor in the United States or his or her permanent employment by the Vendor or the Purchaser. No present or former employee, officer or director of the Vendor has, or shall have at the Closing Date, any claim against the Purchaser for any matter including, without limitation, for wages, salary, vacation, severance, or sick pay except for the same incurred in the ordinary course of business for the last payroll period prior to the Closing Date. There is no:

- (a) unfair labor practice complaint against the Vendor pending before the National Labor Relations Board or any state or local agency;
- (b) pending labor strike or other material labor trouble affecting the Vendor;
- (c) material labor grievance pending against the Vendor;
- (d) pending representation question respecting the employees of the Vendor; or
- (e) pending arbitration proceeding arising out of or under any collective bargaining agreement to which the Vendor is a party.

In addition, to the Vendor and each Member's knowledge: (i) none of the matters specified in clauses (a) through (e) above is threatened against the Vendor; (ii) no union organizing activities have taken place with respect to the Vendor; (iii) no basis exists for which a claim may be made under any collective bargaining agreement to which the Vendor is a party; and (iv) each of the Members is in good health.

3.38 Benefit Plans.

- (a) Schedule 3.38 sets forth a complete list of the Benefit Plans. Current and complete copies of all written Benefit Plans, or, where oral, written summaries of

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the terms of such Benefit Plans, have been provided or made available to the Purchaser together with current and complete copies of all documents relating to the Benefit Plans. The Vendor does not have any employee benefit plans within the meaning of Section 3(3) of ERISA.

- (b) The Vendor has complied with all of its obligations in respect of the Benefit Plans. To the knowledge of the Vendor, no default or violation by any other Person has occurred in relation to obligations under any Benefit Plan.
- (c) None of the Benefit Plans provide for benefit increases or the acceleration of, or an increase in, funding obligations that are contingent upon or shall be triggered by the entering into of this Agreement or the completion of the transactions provided for in this Agreement.
- (d) All employer or Employee payments, contributions or premiums required to be remitted, paid to or in respect of each Benefit Plan have been paid or remitted in a timely fashion in accordance with its terms and all Laws or adequate accruals therefor have been made on the Financial Statements. No Taxes, penalties or fees are owing or exigible under or in relation to any Benefit Plan. All reasonably anticipated obligations of the Vendor with respect to Employees (except for those related to wages during the pay period immediately prior to the Closing Date and arising in the ordinary course of the Business), whether arising by operation of Law, by contract, by past custom, or otherwise, for salaries and holiday pay, bonuses and other forms of compensation payable to the Employees in respect of the services rendered by any of them prior to the date hereof have been or shall be paid by the Vendor prior to the Closing Date.
- (e) All Employee data necessary to administer each Benefit Plan is in the possession of the Vendor as part of the Books and Records and is in a form which is sufficient for the proper administration of the Benefit Plan in accordance with its terms and all Laws and such data is complete and correct.

3.39 Employment Matters.

- (a) There are no collective agreements or related documents, including benefit agreements, letters of understanding, letters of intent and other written communications, with bargaining agents or unions by which the Vendor is bound or which impose any obligations upon the Vendor or set out the understanding of the parties with respect to the meaning of any provisions of any collective agreement.
- (b) Schedule 3.39 sets forth a true and complete list of all employment agreements, commission agreements or any other understanding between the Vendor and any Employee concerning the terms of such Employee's employment that does not apply to the Employees generally (collectively, "**Employment Agreements**"). The Vendor has delivered to the Purchaser a true and complete copy of each such Employment Agreement.
- (c) Except for the Employment Agreements described or listed in Schedule 3.39, there are no Employment Agreements which are not terminable on the giving of reasonable notice in accordance with applicable Law, nor are there any

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management agreements, retention bonuses or Employment Agreements providing for cash or other compensation or benefits upon the consummation of the transactions provided for in this Agreement.

- (d) There are no Legal Proceedings nor, to the knowledge of the Vendor, are there any threatened Legal Proceedings, against the Vendor pursuant to any Employment Laws. To the knowledge of the Vendor, nothing has occurred which might lead to a Legal Proceeding against the Vendor under any Employment Laws. There are no outstanding decisions, orders or settlements or pending settlements under any Employment Laws which place any obligation upon the Vendor to do or refrain from doing any act.
- (e) All current assessments under all applicable workers compensation legislation in relation to the Vendor and all of its contractors and subcontractors have been paid or accrued in the Books and Records and the Vendor has not been and is not subject to any special or penalty assessment under such legislation which has not been paid.
- (f) The Vendor has not and is not engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of the Vendor, threatened against the Vendor.

3.40 Personal Information.

The Vendor has a written privacy policy for the Business which governs the collection, use and disclosure of Personal Information and is in compliance in all material respects with such policy. To the knowledge of the Vendor, no misuse or misappropriation of Personal Information has occurred in respect of the Business. No claims of any misuse or, misappropriation of Personal Information have been made or asserted in respect of the operations of the Business.

3.41 Tax Matters.

Within the times and in the manner prescribed by Law, the Vendor has filed all required Tax Returns, which accurately and completely reflect Tax liability of the Vendor for the respective periods covered thereby, has paid or provided for all Taxes shown thereon to be due and owing by it and has paid or provided for all deficiencies or other assessments of Taxes, interest or penalties owed by it; no taxing Governmental Authority has asserted any claim for the assessment of any additional Taxes of any nature with respect to any periods covered by any such Tax Returns; and, all Taxes required to be withheld or collected by the Vendor have been duly withheld or collected and, to the extent required, have been properly reported and paid to the proper taxing Governmental Authority or properly segregated or deposited as required by Law. Each Tax Return filed by the Vendor fully and accurately reflects its liability for Taxes for such year or period and accurately sets forth all items (to the extent required to be included or reflected in such returns) relevant to its future liabilities for Taxes, including the Tax basis of its properties and assets. No audit of any Tax Return of the Vendor is in progress or, to the knowledge of the Vendor and any Member, threatened. The Vendor has not waived or extended any applicable statute of limitations relating to the assessment or collection of any Taxes. No issue has been raised with the Vendor by any taxing Governmental Authority that is currently pending in connection with any Tax Return. No material issue has been raised in any examination by any taxing Governmental Authority with respect to the Vendor which, by

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application of similar principles, reasonably could be expected to result in a proposed deficiency for any other period not so examined. There are no unresolved issues or unpaid deficiencies relating to any such examination. The Vendor has delivered to the Purchaser true and correct copies of all of the federal, state and local income Tax Returns of the Vendor for all periods from and after the date of its incorporation.

3.42 Finders' Fees.

There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Vendor, any Member or any of their respective Affiliates who might be entitled to any fee or commission from the Purchaser or any of its Affiliates upon consummation of the transactions contemplated by this Agreement.

3.43 Powers of Attorney and Suretyships.

The Vendor has not any general or special powers of attorney outstanding (whether as grantor or grantee thereof) or any obligation or liability (whether actual, accrued, accruing, contingent, or otherwise) as guarantor, surety, co-signer, endorser, co-maker, indemnitor or otherwise in respect of the obligation of any Person.

3.44 Investment Representations.

The Vendor recognizes that an investment in the Purchaser (resulting from acceptance of the Payment Shares as part of the Purchase Price) involves a high degree of risk for many reasons, including, without limitation, that (i) an investment in Shares is highly speculative and only investors who can afford the loss of their entire investment should consider purchasing the Shares; (ii) there may be no public market for the Shares and an investor may not be able to liquidate its investment for the foreseeable future; (iii) the Purchaser is an early stage company with limited operating history upon which to base its likelihood for success; (iv) transferability of the Payment Shares is extremely limited; and (v) the Purchaser's business plan involves an Initial Public Offering, which shall be effected following the exchange of all Shares, including the Payment Shares, into common shares of another corporation. The Vendor acknowledges that the Purchaser makes no representation that the effective price per share being paid by each Member pursuant to this Agreement represents the fair market value for the Shares.

3.45 Other Information.

Neither this Agreement nor any of the documents or other information made available to the Purchaser or its Affiliates, attorneys, accountants, agents or representatives pursuant hereto or in connection with the Purchaser's due diligence review of the Business or the transactions contemplated by this Agreement contains or shall contain any untrue statement of a material fact or omits or shall omit to state a material fact necessary in order to make the statements contained therein not misleading. To the best knowledge of the Vendor and each Member the Vendor has provided the Purchaser with all material information regarding the Business.

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Article IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser represents and warrants to the Vendor and each Member as follows:

4.1 Due Incorporation.

The Purchaser is a corporation duly organized, validly existing and as of Closing shall be in good standing under the laws of Barbados. The Purchaser has all requisite power and authority, corporate and otherwise, and all governmental licenses, franchises, permits, authorizations, consents and approvals required to own, lease, and operate its assets, properties and businesses and to carry on its business as now conducted on the date hereof. The Purchaser has not conducted any business to date and has only engaged in certain activities relating to its organization. The Purchaser has not adopted any plan, or made any agreement in respect of any merger, consolidation, sale of all or substantially all of its assets, reorganization, recapitalization, dissolution or liquidation.

4.2 Corporate Authorization.

The execution, delivery and performance by the Purchaser of this Agreement and each of the other Additional Agreements to which it is a party and the consummation by the Purchaser of the transactions contemplated hereby and thereby are within the corporate powers of the Purchaser and have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes, and upon their execution and delivery, each of the Additional Agreements shall constitute, the valid and legally binding agreement of the Purchaser, enforceable against it in accordance with their respective terms.

4.3 Regulatory Approval.

None of the execution, delivery or performance by the Purchaser of this Agreement or any Additional Agreement requires any consent, approval, license or other action by or in respect of, or registration, declaration or filing with, any Governmental Authority by the Purchaser or the Purchaser.

4.4 No Violation.

Neither the execution and delivery of this Agreement or any Additional Agreement to be executed by the Purchaser hereunder nor the consummation of the transactions contemplated herein and therein shall (a) violate any provision of the Purchaser's constating or charter documents; or (b) violate any Laws or Orders to which the Purchaser or its property is subject.

4.5 Charter Documents.

The Purchaser has previously delivered to the Vendor and the Members true and complete copies of its constating or charter documents, as in effect or constituted on the date hereof

4.6 Consents.

There are no agreements, commitments, arrangements, contracts or other instruments binding upon the Purchaser or any of its properties requiring a consent, approval, authorization,

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order or other action of or filing with any Person as a result of the execution, delivery and performance of this Agreement or any of the Additional Agreements or the consummation of the transactions contemplated hereby or thereby.

4.7 Capitalization of the Purchaser.

Schedule 4.7 sets forth (i) the Purchaser's authorized capital stock, (ii) the number of Shares that is outstanding, (iii) each security convertible into or exercisable or exchangeable for Shares, the number of Shares such security is convertible into, and the exercise or conversion price of such security. The issuance of all the outstanding capital stock of the Purchaser has been duly authorized, and all such capital stock is validly issued, fully paid and non-assessable.

4.8 Litigation.

There is no action, suit, investigation, hearing or proceeding (or any basis therefor) pending against, or to the best knowledge of the Purchaser, threatened against or affecting, the Purchaser, any of its officers or directors, or the business of the Purchaser, before any court or arbitrator or any governmental body, agency or official which if adversely determined against the Purchaser, has or could reasonably be expected to have a material adverse effect on the business, assets, condition (financial or otherwise), liabilities, results or operations or prospects of the Purchaser, or which in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated hereby. There are no outstanding judgments against the Purchaser.

4.9 Issuance of Payment Share.

The Payment Shares, when issued in accordance with this Agreement, shall be duly authorized and validly issued, fully paid and non-assessable.

4.10 Finders' Fees

Other than a fee of [REDACTED] payable to Pilkington Capital Corporation, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Purchaser or any of its Affiliates who might be entitled to any fee or commission from the Vendor or the Members or any of their respective Affiliates upon consummation of the transactions contemplated by this Agreement.

4.11 Other Information

Neither this Agreement nor any of the documents or other information made available to the Members or their Affiliates, attorneys, accountants, agents or representatives pursuant hereto or in connection with the due diligence review by the Vendor and the Members of the business of the Purchaser or the transactions contemplated by this Agreement contains or shall contain any untrue statement of a material fact or omits or shall omit to state a material fact necessary in order to make the statements contained therein not misleading.

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Article V
COVENANTS OF VENDOR AND MEMBERS PENDING CLOSING

The Vendor and the Members, jointly and severally, covenant and agree that:

5.1 Conduct of the Business.

From the date hereof through the Closing Date, the Members shall cause the Vendor to, and the Vendor shall, conduct the Business only in the ordinary course (including the payment of accounts payable and the collection of accounts receivable), consistent with past practices, and shall not enter into any material transactions without the prior written consent of the Purchaser, and shall use their respective best efforts to preserve intact the business relationships of the Vendor with employees, advertisers, suppliers, customers and other third parties.

Without limiting the generality of the foregoing, from the date hereof until the Closing Date, without the Purchaser's prior written consent, the Vendor shall not:

- (a) amend, waive any provision of, terminate prior to its scheduled expiration date, or otherwise compromise in any way, any Contract (including any Contracts described in clause (b) below), or any other right or asset of the Vendor;
- (b) enter into a Contract which (i) is with respect to real property, (ii) extends for a term of one year or more or (iii) obligates the payment of more than [REDACTED] (individually or in the aggregate);
- (c) make any capital expenditures in excess of [REDACTED] (individually or in the aggregate);
- (d) sell, lease, license or otherwise dispose of any assets or assets covered by any Contract except pursuant to any existing Contracts disclosed herein;
- (e) pay, declare or promise to pay any dividends or other distributions with respect to its capital stock, or pay, declare or promise to pay any other payments to any Member or any Affiliate of the Vendor;
- (f) authorize any salary increase for any employee or change the bonus or profit sharing policies of the Vendor;
- (g) obtain or suffer to exist any Indebtedness in excess of [REDACTED] in the aggregate;
- (h) suffer or incur any Encumbrance on any asset of the Vendor except for Encumbrances existing as of the date hereof as set forth in a Schedule hereto;
- (i) suffer any damage, destruction or loss of property related to any assets of the Vendor, whether or not covered by insurance;
- (j) delay, accelerate or cancel any Accounts Receivables or Indebtedness owed to the Vendor or write-off or make further reserves against the same;

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- (k) merge or consolidate with or acquire any other Person or be acquired by any other Person;
- (l) suffer any insurance policy protecting the assets of the Vendor to lapse;
- (m) make any change in its accounting principles or methods or write down the value of any inventory or assets;
- (n) change the place of business of the Vendor;
- (o) extend any loans other than travel or other expense advances to employees in the ordinary course of business not to exceed [REDACTED] individually or [REDACTED] in the aggregate;
- (p) issue, redeem or repurchase any Units;
- (q) effect or agree to any change in any practices or terms, including payment terms, with respect to customers or suppliers;
- (r) hire any employees, consultants or advisors;
- (s) make or rescind any election related to Taxes, file any amended income Tax Return or make any changes in its methods of Tax accounting; or
- (t) agree to do any of the foregoing.

Neither the Vendor nor the Members shall cause the Vendor to, (i) take or agree to take any action that might make any representation or warranty of the Vendor or any Member hereunder inaccurate in any respect at, or as of any time prior to, the Closing Date or (ii) omit to take, or agree to omit to take, any action necessary to prevent any such representation or warranty from being inaccurate in any respect at any such time.

5.2 Access to Information.

From the date hereof until and including the Closing Date, the Vendor shall, and each Member shall cause the Vendor to, (a) continue to give the Purchaser, its counsel and other representatives full access to the offices, properties, books and records of the Vendor, (b) furnish to the Purchaser, its counsel and other representatives such information relating to the Business as such Persons may request, and (c) cause the Employees, counsel, accountants and representatives of the Vendor to cooperate with the Purchaser in its investigation of the Business; provided that no investigation pursuant to this Section 5.2 (or any investigation prior to the date hereof) shall affect any representation or warranty given by the Vendor or the Members.

5.3 Notices of Certain Events.

The Vendor and the Members shall promptly notify the Purchaser of:

- (a) any notice or other communication from any Person alleging or raising the possibility that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement or that the transactions

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contemplated by this Agreement might give rise to any claims or causes of action or other rights by or on behalf of such Person or result in the loss of any rights or privileges of the Vendor to any such Person or any Encumbrance or any of Purchased Assets;

- (b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;
- (c) any actions, suits, claims, investigations or proceedings commenced or threatened against, relating to or involving or otherwise affecting any Member, the Purchased Assets, the Vendor or the Business or that relate to the consummation of the transactions contemplated by this Agreement; and
- (d) the occurrence of any fact or circumstance which might make any representation made hereunder by the Vendor and/or any Member false in any respect or result in the omission or the failure to state a material fact.

Article VI COVENANTS OF VENDOR AND MEMBERS

The Vendor and the Members, jointly and severally, covenant and agree that:

6.1 Confidentiality.

Except as otherwise required by law, on and after the Closing, no Member shall, without the prior written consent of the Purchaser, or a person authorized thereby, disclose to any other Person or use (whether for the account of any Member or any other party) any confidential information or Proprietary Asset of the Purchaser or the Vendor or any client of the Purchaser or the Vendor. In the event the Vendor or any Member believes that it is required to disclose any such confidential information pursuant to applicable Laws, the Vendor or such Member shall give timely written notice to the Purchaser so that the Purchaser may have an opportunity to obtain a protective order or other appropriate relief. The Vendor and all the Members shall cooperate fully in any such action by the Purchaser.

6.2 Exclusivity.

So long as this Agreement is in effect, neither the Vendor nor any Member nor anyone acting on their behalf shall, directly or indirectly, (i) encourage, solicit, initiate or participate in discussions or negotiations with, or provide any information to or cooperate in any manner with any Person, other than the Purchaser or its Affiliates (collectively "**Excluded Persons**"), or an officer, partner, employee or other representative of an Excluded Person, concerning the sale of all or any part of the Business of the Vendor or the capital stock or other securities of the Vendor, whether such transaction takes the form of a sale of stock or assets, merger, consolidation or otherwise or any joint venture or partnership, or (ii) otherwise solicit, initiate or encourage the submission of any proposal contemplating the sale of all or any part of the Business of the Vendor or the capital stock or other securities of the Vendor, whether such transaction takes the form of a sale of stock or assets, merger, consolidation or otherwise or any joint venture or partnership or (iii) consummate any such transaction or accept any offer or agree to engage in any such transaction. The Vendor or the Members shall promptly (within 24 hours) communicate to the Purchaser the terms of any proposal, contract or sale which it may receive in respect of any of the foregoing and respond to any such communication in a manner

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reasonably acceptable to the Purchaser. The Vendor or the Members under this Section 6.2 shall include the identity of the person making such proposal or offer, copies (if written) or a written description of the terms (if oral) thereof and any other such information with respect thereto as the Purchaser may reasonably request.

6.3 Reporting and Compliance With Law.

From the date hereof through the Closing Date, the Vendor shall duly and timely file all Tax Returns required to be filed with any Governmental Authority, pay any and all Taxes required by any Governmental Authority and duly observe and conform, in all material respects, to all applicable Laws and Orders.

6.4 Injunctive Relief.

If the Vendor or any Member breaches, or threatens to commit a breach of, any of the covenants set forth in Section 6.1 or Section 6.2 (collectively, the "**Restrictive Covenants**"), the Purchaser shall have the following rights and remedies, which shall be in addition to, and not in lieu of, any other rights and remedies available to the Purchaser by agreement (including those set forth in Section 12.1 hereof), under law or in equity:

- (a) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, all without the need to post a bond or any other security or to prove any amount of actual damage or that money damages would not provide an adequate remedy, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Purchaser and that monetary damages shall not provide adequate remedy to the Purchaser; and
- (b) The right and remedy to require the Vendor and each Member, jointly and severally, (i) to account for and pay over to the Purchaser all compensation, profits, monies, accruals, increments or other benefits derived or received by the Vendor, any Member or any associated party as the result of any such breach; and (ii) to indemnify the Purchaser against any other losses, damages (including special and consequential damages), costs and expenses, including actual attorneys fees and court costs, which may be incurred by it and which result from or arise out of any such breach or threatened breach.

Article VII COVENANTS OF ALL PARTIES

The Parties covenant and agree that:

7.1 Best Efforts; Further Assurances.

Subject to the terms and conditions of this Agreement, each Party shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Laws, and in the case of the Vendor and each Member as reasonably requested by the Purchaser, to consummate and implement expeditiously the transactions contemplated by this Agreement. The Parties shall execute and deliver such other documents, certificates, agreements and other writings and take such other actions as may be

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necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

7.2 Confidentiality of Transaction.

Any information (except publicly available or freely usable material obtained from another source) respecting any Party or its Affiliates shall be kept in strict confidence by all other Parties to this Agreement and their agents. Except as required by Law, neither the Vendor, any Member nor any of their respective Affiliates, directors, officers, employees or agents shall disclose the terms of the transactions contemplated hereunder at any time, currently, or on or after the Closing, regardless of whether the Closing takes place, except as necessary to their attorneys, accountants and professional advisors, in which instance such persons and any employees or agents of the Vendor shall be advised of the confidential nature of the terms of the transaction and shall themselves be required by the Vendor to keep such information confidential. Except as required by Law, each Party shall retain all information obtained from the other and their lawyers on a confidential basis except as necessary to their attorneys, accountants and professional advisors, in which instance such persons and any employees or agents of such Party shall be advised of the confidential nature of the terms of the transaction and shall themselves be required by such Party to keep such information confidential.

7.3 Best Efforts to Obtain Consents.

The Vendor and each Member hereby agree to use their best efforts to obtain each of the Vendor Consents as promptly as practicable hereafter.

7.4 Tax Matters.

- (a) The Members shall prepare or cause to be prepared and, subject to the Purchaser's review and approval, file or cause to be filed on a timely basis all Tax Returns with respect to the Vendor for taxable periods ending on or prior to the Closing Date. The Members shall prepare or cause to be prepared such Tax Returns on a basis consistent with the similar Tax Returns for the immediately preceding periods and shall not make, amend, revoke or terminate any election or change any tax accounting method, practice or procedure without the Purchaser's consent. The Members shall give a copy of each such Tax Return to the Purchaser prior to filing and shall not file the same without the Purchaser's reasonable approval. The Members shall timely pay the Taxes shown to be due and owing by the Vendor or the Members on such Tax Returns.
- (b) Subject to Section 7.4(a), the Purchaser shall duly and timely file or cause to be filed all Tax Returns required to be filed by the Purchaser after the Closing Date and shall pay or cause the Purchaser to pay all Taxes required to be paid with respect to periods commencing after the Closing Date.

Article VIII CONDITIONS TO CLOSING

8.1 Condition to the Obligations of the Purchaser and the Vendor.

The obligations of the Purchaser and the Vendor to consummate the Closing are subject to the satisfaction of all the following conditions:

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- (a) no provision of any applicable Law or Order shall prohibit or impose any condition on the consummation of the Closing or limit in any material way the Purchaser's right to control or operate the Business or any material portion thereof; and
- (b) there shall not be pending or threatened any proceeding by a third-party to enjoin or otherwise restrict the consummation of the Closing.

8.2 Conditions to Obligations of the Purchaser.

In addition to the terms and provisions of Section 10.2 hereof, the obligation of the Purchaser to consummate the Closing is subject to the satisfaction, or the waiver at the Purchaser's sole and absolute discretion, of all the following further conditions:

- (a) (i) Each of the Vendor and the Members shall have duly performed all of their respective obligations hereunder required to be performed by them at or prior to the Closing Date, (ii) the representations and warranties of the Vendor and the Members contained in this Agreement, the Additional Agreements and in any certificate or other writing delivered by the Vendor or any Member pursuant hereto, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, shall be true and correct at and as of the Closing Date, as if made at and as of such date with only such exceptions as could not in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) there shall have been no event, change or occurrence which individually or together with any other event, change or occurrence, could reasonably be expected to have a Material Adverse Change or a Material Adverse Effect, regardless of whether it involved a known risk, and (iv) the Purchaser and the Purchaser shall have received a certificate signed by the President and Chief Financial Officer of the Vendor and all of the Members to the effect set forth in clauses (i), (ii) and (iii) of this Section 8.2(a).
- (b) No Governmental Authority shall have issued any Order, or have pending before it a proceeding for the issuance of any thereof, and there shall not be any provision of any applicable Law, statute, rule or regulation, restraining or prohibiting the consummation of the Closing or the effective operation or enjoyment by the Purchaser as the purchaser of the Business after the Closing Date.
- (c) The Purchaser shall have received all documents it may request relating to the existence of the Vendor and the authority of the Vendor to enter into and perform its respective obligations under this Agreement, all in form and substance reasonably satisfactory to the Purchaser and its legal counsel, acting reasonably, including (i) a copy of the certificate of formation of the Vendor certified as of a recent date by the Secretary of State of Delaware, (ii) copies of the operating agreement of the Vendor as effective on the date hereof; (iii) copies of resolutions duly adopted by the Board of Managers of the Vendor and by the unanimous vote or consent of the Members authorizing this Agreement and the Additional Agreements and the transaction contemplated hereby and thereby, (iv) a certificate of the Secretary of the Vendor certifying each of the foregoing and as to signatures of the officer(s) authorized to execute this Agreement and any certificate or document to be delivered pursuant hereto, together with evidence of

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the incumbency of such Secretary, and (v) a recent good standing certificate regarding the Vendor from the office of the Secretary of State of the State of Delaware, and each other jurisdiction in which the Vendor is qualified to do business.

- (d) The Purchaser shall be fully satisfied, in its sole discretion which shall be exercised in good faith, with the results of its and its representatives' review of the Vendor and the Business (including any review of the assets, financial condition, and prospects of the Business); provided, that no such review shall affect any representation or warranty of the Vendor or any Member given hereunder or in any instrument related to the transactions contemplated hereby.
- (e) The Purchaser shall have reasonably determined that, after the Purchaser has had the opportunity to meet or speak to representatives of the largest advertisers of the Vendor pursuant to Section 5.2 hereof, all such advertisers shall provide the Purchaser terms for the purchase of advertising as favorable to the Purchaser as the terms provided to the Vendor.
- (f) The Purchaser shall have received all of the Vendor Consents, in form and substance reasonably satisfactory to the Purchaser, and no such Vendor Consent shall have been revoked.
- (g) The Vendor shall have delivered to the Purchaser documents satisfactory to the Purchaser to evidence the release of all Encumbrances on any portion of the assets of the Vendor and the filing of appropriate UCC-3 Termination Statements.
- (h) The Vendor shall have entered into and delivered to the Purchaser a Management Services Agreement with the Purchaser substantially in the form attached hereto as Exhibit 2 (the "**Management Services Agreement**"), and the same shall be in full force and effect.
- (i) The Vendor shall have entered into and delivered the Repurchase Option Agreement.
- (j) The Vendor shall have no Indebtedness.
- (k) Each of the Members shall have executed and delivered an election in the prescribed form to ensure that the transactions hereunder are treated as a "deemed sale" for US Tax purposes.

8.3 Conditions to Obligations of the Vendor.

In addition to the terms and provisions of Section 10.3 hereof, the obligation of the Vendor to consummate the Closing is subject to the satisfaction, or the waiver at the discretion of the Vendor, of all the following further conditions:

- (a) (i) the Purchaser shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date, (ii) the representations and warranties of the Purchaser contained in this Agreement, the Additional Agreements and in any certificate or other writing delivered by the

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Purchaser pursuant hereto, disregarding all qualifications and expectations contained therein relating to materiality, shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of such date, (iii) there shall have been no event, change or occurrence which individually or together with any other event, change or occurrence, could reasonably be expected to have a material adverse effect, regardless of whether it involved a known risk, on the business, assets, condition (financial or otherwise), liabilities, result of operations of prospects of the Purchaser, and (iv) each Member shall have received a certificate signed by an authorized officer of the Purchaser to the foregoing effect.

- (b) The Vendor shall have received (i) a copy of the certificate of incorporation of the Purchaser, (ii) copies of the bylaws of the Purchaser as effective on the date hereof; (iii) copies of resolutions duly adopted by the Board of Directors of the Purchaser and by the unanimous vote or consent of the Purchaser's shareholders authorizing this Agreement and the Additional Agreements and the transaction contemplated hereby and thereby, (iv) a certificate of the Secretary or Assistant Secretary of the Purchaser certifying each of the foregoing and as to signatures of the officer(s) authorized to execute this Agreement and any certificate or document to be delivered pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary, and (v) a recent good standing certificate regarding the Purchaser from the office of the responsible Governmental Authority in the jurisdiction of its incorporation.
- (c) The Vendor shall have received all of the Vendor Consents, in form and substance reasonably satisfactory to the Vendor, and no such Vendor consent shall have been revoked.
- (d) The Purchaser shall have delivered to the Vendor a duly executed copy of the Management Services Agreement.

Article IX
RELIANCE ON REPRESENTATIONS AND WARRANTIES

9.1 Reliance on Representations and Warranties of the Vendor and the Members.

Notwithstanding any right of the Purchaser to fully investigate the affairs of the Vendor and notwithstanding any knowledge of facts determined or determinable by the Purchaser pursuant to such investigation or right of investigation, the Purchaser shall have the right to rely fully upon the representations, warranties, covenants and agreements of the Vendor and the Members contained in this Agreement.

9.2 Reliance on Representations and Warranties of the Purchaser.

The Vendor and the Members shall have the right to rely fully on the Purchaser's representations, warranties, covenants and agreements herein, notwithstanding any investigation by the Vendor or the Members and, notwithstanding any knowledge of facts determined or determinable by the Vendor or the Members pursuant to such investigation or right of investigation.

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Article X CLOSING

10.1 Place of Closing.

Subject to the terms and conditions of this Agreement, the Closing shall take place at the Time of Closing at the offices of the Purchaser's solicitors or at such other place as may be mutually agreed upon in writing by the Parties.

10.2 Closing Deliveries of the Vendor.

At the Time of Closing, in addition to any other documents to be provided or delivered by the Vendor to the Purchaser at such time pursuant to this Agreement, the Vendor shall execute and/or deliver (or cause to be executed and/or delivered) to the Purchaser:

- (a) the Vendor shall execute and deliver the Assignment and Assumption Agreement;
- (b) all necessary deeds, conveyances, bills of sale, endorsements, consents, assurances, transfers, assignments and other good and sufficient instruments of conveyance and assignment necessary or reasonably required in the opinion of the Purchaser's solicitors to transfer effectively to the Purchaser good and marketable title to the Purchased Assets free and clear of all Encumbrances of any nature or kind, including, without limitation, an assignment of the Contracts included in the Purchased Assets, assignments of Real Property Leases and Proprietary Asset assignments, all such deliveries to be in form and substance satisfactory to the Purchaser's solicitors, acting reasonably (together with the Assignment and Assumption Agreement, collectively, the "**Conveyance Documents**"); and
- (c) possession of the Purchased Assets and the Leased Real Property to the Purchaser.

10.3 Closing Deliveries of the Purchaser.

At the Time of Closing, in addition to any other documents to be provided or delivered by the Purchaser to the Vendor at such time pursuant to this Agreement, the Purchaser shall execute and/or deliver (or cause to be executed and delivered) to the Vendor the following:

- (a) the Purchaser shall execute and deliver the Assignment and Assumption Agreement; and
- (b) all assignments and documents delivered pursuant to this Agreement at the Time of Closing which require execution and delivery by the Purchaser.

10.4 Effectiveness of Closing.

For financial reporting purposes only, upon the Closing, this Agreement and the purchase and sale of the Purchased Assets contemplated hereunder shall be deemed to have closed immediately prior to the commencement of business on the Closing Date.

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Article XI INDEMNIFICATION

11.1 Indemnification of the Purchaser Indemnitees.

Subject to Section 11.9 hereof, the Vendor and each Member hereby jointly and severally agree to indemnify and hold harmless the Purchaser and its Affiliates and each of their respective directors, officers, employees, shareholders, attorneys and agents and permitted assignees (collectively, the "**Purchaser Indemnitees**", provided, however, the term "**Purchaser Indemnitees**" shall not include any of the Members regardless of their capacity), against and in respect of any and all loss, payments, demand, penalty, liability, judgment, damage, diminution in value, claim or out-of-pocket costs and expenses (including actual costs of investigation and attorneys' fees and other costs and expenses) (all of the foregoing collectively, "**Losses**") incurred or sustained by any Purchaser Indemnitee as a result of:

- (a) any non-fulfilment of any covenant or agreement on the part of the Vendor under this Agreement or any of the Additional Agreements (but not the Management Services Agreements);
- (b) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement, in any of the Additional Agreements (but not the Management Services Agreements) or in any certificate or other document furnished by the Vendor or the Members pursuant to this Agreement;
- (c) the failure to pay any claims by any third parties (including breach of contract claims, violations of warranties, trademark infringement, for "spamming", privacy violations, torts or consumer complaints) with respect to the business of the Vendor for any period prior to the Closing Date;
- (d) the violation of any Laws by the Vendor or any Member prior to the Closing;
- (e) the failure to pay any Taxes incurred prior to the Closing to any taxing Governmental Authority or to file any Tax Return with any taxing Governmental Authority;
- (f) the non-compliance by the Vendor under the bulk sales legislation in the State of Delaware and any other applicable bulk sales legislation; and
- (g) the Excluded Liabilities.

11.2 Indemnification of the Members.

Subject to Section 11.9 hereof, the Purchaser hereby agrees to indemnify and hold harmless the Members (the "**Vendor Indemnitees**") against and in respect of;

- (a) any Losses incurred or sustained by the Vendor Indemnitees as a result of any breach, inaccuracy or non-fulfilment or the alleged breach, inaccuracy or non-fulfillment of any of the representations, warranties and covenants of the Purchaser contained herein or any certificate or other writing delivered pursuant hereto; and

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- (b) any income tax liability incurred by the Vendor Indemnitees as a result of the completion of the transactions hereunder or a re-valuation of the transactions hereunder by the U.S. taxing Governmental Authority, up to a maximum amount equal to thirty-five percent (35%) of the Purchase Price in the aggregate, namely \$98,147.51, which amount shall be paid by the Purchaser to each of the Vendor Indemnitees who have incurred any such income tax liability upon the Purchaser successfully raising no less than \$1,500,000 in its current equity financing; provided that, upon payment by the Purchaser to the Vendor Indemnitees of such amount, any other or additional Tax liability incurred by the Vendor Indemnitees, income or otherwise, shall be on the account of each such Vendor Indemnitee and the Purchaser shall have no further obligation to indemnify the Vendor Indemnitees for any such Tax liability.

11.3 Procedure.

The following shall apply with respect to all claims by a Purchaser Indemnitee or a Vendor Indemnitee (together, "**Indemnified Party**") for indemnification:

- (a) An Indemnified Party shall give the Members or the Purchaser, as the case may be (the "**Indemnifying Party**"), prompt notice (an "**Indemnification Notice**") of any third-party claim, investigation, action, suit, hearing or proceeding with respect to which such Indemnified Party seeks indemnification pursuant to Section 11.1 or 11.2 (a "**Third-party Claim**"), which shall describe in reasonable detail the loss, liability or damage that has been or may be suffered by the Indemnified Party. The failure to give the Indemnification Notice shall not impair any of the rights or benefits of such Indemnified Party under Section 11.1 or 11.2, except to the extent such failure materially and adversely affects the ability of the Indemnifying Parties to defend such claim or increases the amount of such liability.
- (b) In the case of any Third-party Claims as to which indemnification is sought by any Indemnified Party, such Indemnified Party shall be entitled, at the sole expense and liability of the Indemnifying Parties, to exercise full control of the defense, compromise or settlement of any Third-party Claim unless the Indemnifying Parties, within a reasonable time after the giving of an Indemnification Notice by the Indemnified Party (but in any event within 20 days thereafter), shall (i) deliver a written confirmation to such Indemnified Party that the indemnification provisions of Section 11.1 or 11.2 are applicable to such claim, investigation, action, suit, hearing or proceeding and the Indemnifying Parties shall indemnify such Indemnified Party in respect of such claim, investigation, action or proceeding pursuant to the terms of Section 11.1 or 11.2 and, notwithstanding anything to the contrary, shall do so without asserting any challenge, defense, limitation on the Indemnifying Parties liability for Losses, counterclaim or offset, (ii) notify such Indemnified Party in writing of the intention of the Indemnifying Parties to assume the defense thereof, and (iii) retain legal counsel reasonably satisfactory to such Indemnified Party to conduct the defense of such Third-party Claim.
- (c) If the Indemnifying Parties assume the defense of any such Third-party Claim then the Indemnified Party shall cooperate with the Indemnifying Parties in any manner reasonably requested in connection with the defense, compromise or

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settlement thereof. If the Indemnifying Parties so assume the defense of any such Third-party Claim the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel employed by the Indemnified Party shall be at the expense of such Indemnified Party unless (i) the Indemnifying Parties have agreed to pay such fees and expenses, or (ii) the named parties to any such Third-party Claim (including any impleaded parties) include an Indemnified Party and an Indemnifying Party and such Indemnified Party shall have been advised by its counsel that there may be a conflict of interest between such Indemnified Party and the Indemnifying Parties in the conduct of the defense thereof, and in any such case the reasonable fees and expenses of such separate counsel shall be borne by the Indemnifying Parties.

- (d) If the Indemnifying Parties elect to direct the defense of any Third-party Claim, the Indemnified Party shall not pay, or permit to be paid, any part of any claim or demand arising from such asserted liability unless the Indemnifying Parties withdraw from or fail to vigorously prosecute the defense of such asserted liability, or unless a judgment is entered against the Indemnified Party for such liability. If the Indemnifying Parties do not elect to defend, or if, after commencing or undertaking any such defense, the Indemnifying Parties fail to prosecute or withdraw such defense, the Indemnified Party shall have the right to undertake the defense or settlement thereof, at the Indemnifying Parties' expense. Notwithstanding anything to the contrary, the Indemnifying Parties shall not be entitled to control, but may participate in, and the Indemnified Party (at the expense of the Indemnifying Parties) shall be entitled to have sole control over, the defense or settlement of (i) that part of any Third party Claim (A) that seeks a temporary restraining order, a preliminary or permanent injunction or specific performance against the Indemnified Party, or (B) to the extent such Third party Claim involves criminal allegations against the Indemnified Party or (ii) the entire Third party Claim if such Third party Claim could impose liability on the part of the Indemnified Party in an amount which is greater than the amount as to which the Indemnified Party is entitled to indemnification under this Agreement. In the event the Indemnified Party retains control of the Third party Claim, the Indemnified Party shall not settle the subject claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.
- (e) If the Indemnified Party assumes the defense of any such Third-party Claim pursuant to Section 11.1 or 11.2 and proposes to settle the same prior to a final judgment thereon or to forgo appeal with respect thereto, then the Indemnified Party shall give the indemnifying Parties prompt written notice thereof and the Indemnifying Parties shall have the right to participate in the settlement, assume or reassume the defense thereof or prosecute such appeal, in each case at the Indemnifying Parties' expense. The Indemnifying Parties shall not, without the prior written consent of such Indemnified Party settle or compromise or consent to entry of any judgment with respect to any such Third-party Claim (i) in which any relief other than the payment of money damages is or may be sought against such Indemnified Party or (ii) which does not include as an unconditional term thereof the giving by the claimant, person conducting such investigation or initiating such hearing, plaintiff or petitioner to such Indemnified Party of a release from all liability with respect to such Third-party Claim and all other

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claims or causes of action (known or unknown) arising or which might arise out of the same facts.

11.4 Periodic Payments.

Any indemnification required by Section 11.1 or 11.2 for costs, disbursements or expenses of any Indemnified Party in connection with investigating, preparing to defend or defending any claim, action, suit, hearing, proceeding or investigation shall be made by periodic payments by the Indemnifying Parties to each Indemnified Party during the course of the investigation or defense, as and when bills are received or costs, disbursements or expenses are incurred.

11.5 Payment of Indemnification by the Vendor and the Members.

In the event that the Purchaser is entitled to any indemnification pursuant to this Article, the Vendor and the Members, jointly and severally, shall pay the amount of the indemnification (subject to the limitation set forth in Section 11.1) in Payment Shares at \$0.05 per share. Any payments by the Vendor to the Purchaser Indemnitee shall be treated as an adjustment to the Purchase Price.

11.6 Failure to Give Timely Notice.

A failure to give timely notice as provided in this Article XI shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise directly and materially damaged as a result of such failure.

11.7 Tax Effect.

If any indemnification payment received by an Indemnified Party would constitute taxable income to such Indemnified Party, then the Indemnifying Party shall pay to the Indemnified Party at the same time and on the same terms, as to interest and otherwise, as the indemnification payment and additional amount sufficient to place the Indemnified Party in the same after-Tax position as it would have been if the indemnification payment had been received tax-free.

11.8 Payment and Interest.

All Losses shall bear interest at a rate equal to eight percent (8%) per annum, calculated and payable monthly, both before and after judgment, with interest on overdue interest at the same rate, from the date that the Indemnitee disbursed funds, suffered damages or losses or incurred a loss, liability or expense in respect of a Loss, to the date of payment by the Indemnifying Party to the Indemnified Party.

11.9 Survival of Indemnification Rights.

The representations and warranties of each Party contained in this Agreement and in any Additional Agreements shall survive the Closing and, notwithstanding the Closing and notwithstanding any investigation or inquiries made by or on behalf of the other Party, shall

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continue in full force and effect for the benefit of the other Party until the fourth (4th) anniversary of the Closing Date, except that:

- (a) the representations and warranties set out in Sections 3.1, 3.2, 3.7, 3.8 and 3.9 hereof and the corresponding representations and warranties made pursuant to the certificate delivered to the Purchaser pursuant to Section 8.2(a) hereof, and the representations and warranties set out in Section 4.1 hereof and the corresponding representations and warranties made pursuant to the certificate delivered to the Vendor pursuant to Section 8.3(a) hereof, shall survive Closing and continue in full force and effect without limitation of time and a claim for any breach of such representations and warranties may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by law;
- (b) any such representations and warranties relating to Tax matters shall survive the Closing and continue in full force and effect until the sixtieth (60th) day after the end of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Tax, interest or penalties under applicable Tax legislation in respect of any taxation year to which such representations and warranties extend could be issued under such Tax legislation to the Vendor or any of the Members, provided the Vendor did not file any waiver or other document extending such period, but if it did, then the sixtieth (60th) day after the end of such extended period;
- (c) the representations and warranties set out in Section 3.35 hereof and the corresponding representations and warranties made pursuant to the certificate delivered to the Purchaser pursuant to Section 8.2(a) shall survive Closing and continue in full force and effect until the sixth (6th) anniversary of the Closing Date; and
- (d) a claim for any breach of any of such representations and warranties involving fraud or wilful misrepresentation may be made at any time following the Closing Date, subject only to applicable limitation periods imposed by law.

Article XII DISPUTE RESOLUTION

12.1 Arbitration.

- (a) The Parties shall promptly submit any dispute, claim, or controversy arising out of or relating to this Agreement, or any Additional Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance, or enforcement of this Agreement or any Additional Agreement) or any alleged breach thereof (including any action in tort, contract, equity, or otherwise), to binding arbitration before one arbitrator ("**Arbitrator**"). The Parties agree that binding arbitration shall be the sole means of resolving any dispute, claim, or controversy arising out of or relating to this Agreement or any Additional Agreement (including with respect to the meaning, effect, validity, termination, interpretation, performance or enforcement of this Agreement or any Additional Agreement) or any alleged breach thereof (including any claim in tort, contract, equity, or otherwise).

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- (b) If the Parties cannot agree upon the Arbitrator, the Arbitrator shall be selected by the Delaware chapter head of the American Arbitration Association upon the request of either side. The Arbitrator shall be selected within thirty (30) days of request.
- (c) The laws of the State of Delaware shall apply to any arbitration hereunder. In any arbitration hereunder, this Agreement and any agreement contemplated hereby shall be governed by the laws of the State of Delaware applicable to a contract negotiated, signed, and wholly to be performed in the State of Delaware, which laws the Arbitrator shall apply in rendering his decision. The Arbitrator shall issue a written decision, setting forth findings of fact and conclusions of law, within sixty (60) days after he shall have been selected. The Arbitrator shall have no authority to award punitive or other exemplary damages.
- (d) The arbitration shall be held in Delaware in accordance with and under then-current provisions of the rules of the American Arbitration Association, except as otherwise provided herein.
- (e) On application to the Arbitrator, any Party shall have rights to discovery to the same extent as would be provided under the Federal Rules of Civil Procedure, and the Federal Rules of Evidence shall apply to any arbitration under this Agreement; provided, however, that the Arbitrator shall limit any discovery or evidence such that his decision shall be rendered within the period referred to in Section 12.1(c).
- (f) The Arbitrator may, at his discretion and at the expense of the Party who shall bear the cost of the arbitration, employ experts to assist him in his determinations.
- (g) The costs of the arbitration proceeding and any proceeding in court to confirm any arbitration award or to obtain relief, as applicable (including actual attorneys' fees and costs), shall be borne by the unsuccessful Party and shall be awarded as part of the Arbitrator's decision, unless the Arbitrator shall otherwise allocate such costs, for the reasons set forth, in such decision. The determination of the Arbitrator shall be final and binding upon the Parties and not subject to appeal.
- (h) Any judgment upon any award rendered by the Arbitrator may be entered in and enforced by any court of competent jurisdiction. The Parties expressly consent to the exclusive jurisdiction of the courts (Federal and state) in Delaware, to enforce any award of the Arbitrator or to render any provisional, temporary, or injunctive relief in connection with or in aid of the Arbitration. The Parties expressly consent to the personal and subject matter jurisdiction of the Arbitrator to arbitrate any and all matters to be submitted to arbitration hereunder. None of the Parties shall challenge any arbitration hereunder on the grounds that any Party necessary to such arbitration (including the Parties) shall have been absent from such arbitration for any reason, including that such Party shall have been the subject of any bankruptcy, reorganization, or insolvency proceeding.
- (i) The Parties shall indemnify the Arbitrator and any experts employed by the Arbitrator and hold them harmless from and against any claim or demand arising

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out of any arbitration under this Agreement or any agreement contemplated hereby, unless resulting from the wilful misconduct of the person indemnified.

- (j) This arbitration clause shall survive the termination of this Agreement and any agreement contemplated hereby.

12.2 Waiver of Jury Trial; Exemplary Damages.

All Parties hereby waive their rights to trial by jury with respect to any dispute arising under this agreement or any additional agreement. No Party shall be awarded punitive or other exemplary damages respecting any dispute arising under this Agreement or any Additional Agreement.

12.3 Attorneys' Fees.

The unsuccessful Party to any court or other proceeding arising out of this Agreement that is not resolved by arbitration under Section 12.1 hereof shall pay to the prevailing Party all attorneys' fees and costs actually incurred by the prevailing Party, in addition to any other relief to which it may be entitled. As used in this Section 12.3 hereof and elsewhere in this Agreement, "actual attorneys' fees" or "attorneys' fees actually incurred" means the full and actual cost of any legal services actually performed in connection with the matter for which such fees are sought, calculated on the basis of the usual fees charged by the attorneys performing such services, and shall not be limited to "reasonable attorneys' fees" as that term may be defined in statutory or decisional authority.

**Article XIII
TERMINATION**

13.1 Termination Without Default.

In the event that the Closing of the transactions contemplated hereunder has not occurred by the Outside Closing Date and no material breach of this Agreement by the Party seeking to terminate this Agreement shall have occurred or have been made (as provided in Section 13.2 hereof) the Purchaser or the Vendor shall have the right, at its sole option, to terminate this Agreement without liability to the other Party. Such right may be exercised by the Purchaser or the Vendor, as the case may be, giving written notice to the other at any time after the scheduled Closing Date.

13.2 Termination Upon Default.

- (a) The Purchaser may terminate this Agreement by giving notice to the Vendor or any of the Members on or prior to the Closing, without prejudice to any rights or obligations the Purchaser may have, if the Vendor or any Member shall have materially breached any representation or warranty or breached any agreement or covenant contained herein or in any Additional Agreement to be performed prior to Closing and such breach shall not be cured within the earlier of the scheduled Closing Date and five (5) days following receipt by the Vendor or the Members of a notice describing in reasonable detail the nature of such breach.
- (b) The Vendor may terminate this Agreement by giving prior written notice to the Purchaser, without prejudice to any rights or obligations the Vendor or the

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Members may have, if the Purchaser shall have materially breached any of its covenants, agreements, representations, and warranties contained herein to be performed prior to Closing and such breach shall not be cured within the earlier of the scheduled Closing Date and five (5) days following receipt by the Purchaser of a notice describing in reasonable detail the nature of such breach.

13.3 Survival.

The provisions of Section 7.2 shall survive any termination hereof pursuant to this Article XIII.

Article XIV MISCELLANEOUS

14.1 Notices.

All notices, requests, demands and other communications to any Party hereunder shall be in writing and shall be given to such Party at its address or telecopier number set forth below, or such other address or telecopier number as such Party may hereinafter specify by notice to each other Party hereto:

- (a) if to the Purchaser, to:

TruState International Inc., c/o DGM Bank & Trust Inc., Chamberlain Place,
Broad Street, Bridgetown, Barbados, West Indies

Attention: Jeff Patterson
Facsimile: (246) 431 3439

- (b) if to the Vendor or any of the Members:

TruState LLC, 84 N. Greenville Circle, The Woodlands, TX 77382

Attention: Ramsey Jallad
Facsimile: (246) 431 3439

Each such notice, request or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified herein and the appropriate answer back is received or, (ii) if given by certified mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, properly addressed or, (iii) if given by any other means, when delivered at the address specified herein.

14.2 Bulk Sales Waiver.

In respect of the purchase and sale of the Purchased Assets under this Agreement, the Purchaser shall not require the Vendor to comply, or to assist the Purchaser to comply, with the requirements of the bulk sales legislation in the State of Delaware and any other applicable bulk sales legislation.

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14.3 Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by each Party, or in the case of a waiver, by the Party against whom the waiver is to be effective.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

14.4 Ambiguities.

The Parties acknowledge that each Party and its counsel has materially participated in the drafting of this Agreement and consequently the rule of contract interpretation that, and ambiguities if any in, the writing be construed against the drafter, shall not apply.

14.5 Publicity.

Except as required by law, the Parties agree that neither they nor their agents shall issue any press release or make any other public disclosure concerning the transactions contemplated hereunder without the prior approval of the other Party.

14.6 Expenses.

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense.

14.7 Successors and Assigns.

The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, that (i) neither the Vendor nor the Member may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser; and (ii) in the event the Purchaser assigns its rights and obligations under this Agreement to an Affiliate, the Purchaser shall continue to remain liable for its obligations hereunder.

14.8 Governing Law.

This Agreement has been entered into in the State of Delaware. Notwithstanding the foregoing, this Agreement shall be construed in accordance with and governed by the laws of Barbados, without giving effect to the conflict of laws principles thereof.

14.9 Counterparts; Effectiveness.

This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which shall be deemed to be one and the same instrument, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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14.10 Entire Agreement.

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, among the Parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any Party. Neither this Agreement nor any provision hereof is intended to confer upon any Person other than the Parties any rights or remedies hereunder other than Indemnified Parties as set forth in Section 11.1 and 11.2 hereof, which shall be a third party beneficiary hereof.

14.11 Severability.

If any one or more provisions of this Agreement shall, for any reasons, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

14.12 Independent Legal Advice.

Each of the parties hereto acknowledges that it has been advised of its right to obtain independent legal advice with respect to its rights and obligations hereunder and that it has either obtained such advice or voluntarily waived its rights to such advice.

[Signature page follows]

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IN WITNESS WHEREOF, the Purchaser and the Vendor have caused this Agreement to be duly executed by their respective authorized officers and the Members have executed this Agreement as of the day and year first above written.

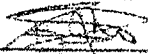
TRUSTATE INTERNATIONAL INC.

By: 

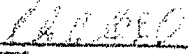
TRUSTATE LLC

By: 


CEO - GMT LLC



Kurtis J. Jett



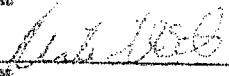
Witness



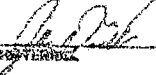
Witness



Kurtis Jett



Witness



Kurtis Jett

Schedule 3.25
Proprietary Assets

Asset Description	Documentation
SecureView	
PPA Filing Receipt	2006-08-14 Filing Receipt
PPA Application Data Sheet	Application Data Sheet
PPA Cover Sheet	Cover Sheet
PPA Filing Acknowledgement	EfilingAck1451307
PPA Application	FinalApp
PPA Notice of Recordation of Assignment	Notice of Recordation of Assignment
PPA Power of Attorney Statement under 37CFR 3.73(b)	Signed POA Signed Statement
NPPA Application	Application_11830891
NPPA Preliminary Amendment	Emt-107450-59911 Preliminary Amendment
PCT Filing	PCTUS0774928
Petition to Make Special	EMT - 107450-59911- Declaration – Petifion to Make Special

Trademarks	Status
"Simply Securing Everyone"	Trademark Pending
"SecureView"	In progress

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE dated the 29th day of February, 2008,

BETWEEN:

TRUSTATE INTERNATIONAL INC., an international business corporation incorporated under the laws of Barbados,

(hereinafter referred to as the "**Purchaser**")

- and -

TRUSTATE LLC, a limited liability company under the laws of the State of Delaware,

(hereinafter referred to as the "**Vendor**")

WHEREAS The Vendor and the Purchaser are parties to an asset purchase agreement dated the date hereof (the "**Purchase Agreement**");

AND WHEREAS, unless otherwise defined in this General Conveyance, all capitalized terms used in this General Conveyance shall have the meanings ascribed to them in the Purchase Agreement and any reference herein to any Schedule shall refer to the Schedule attached to the Purchase Agreement;

AND WHEREAS, pursuant to the Purchase Agreement, the Vendor agreed to sell, transfer and assign to the Purchaser, as a going concern, the undertaking and substantially all of the property and assets used by the Vendor in carrying on the Business, all as more particularly described in the Purchase Agreement on the terms and subject to the conditions set out in the Purchase Agreement;

NOW THEREFORE THIS GENERAL CONVEYANCE WITNESSETH THAT in consideration of the premises and mutual agreements set out herein and in the Purchase Agreement and of other consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1. In this General Conveyance, a reference to a "right" in the Purchased Assets includes a reference to all rights, title, estates and interests in and to the Purchased Assets, "convey" includes all terms that describe the passing of all rights in the Purchased Assets, including without limitation the terms "convey", "sell", "assign", "transfer", "grant", "bargain", "set over" and "deliver", and "conveyance" has the corresponding meaning.
2. Subject to Section 2.3 of the Purchase Agreement, the Vendor hereby conveys to the Purchaser, its successors and assigns, as, at and from the Closing Time, all of its rights in and to the Purchased Assets and the Purchaser accepts such conveyance.
3. Notwithstanding that the Vendor may have executed and delivered to the Purchaser certain other documents and instruments of conveyance, the Vendor shall do such acts and shall execute and deliver such further conveyances, and other instruments, and will cause the doing of such acts and will cause the execution of such further conveyances and other instruments as are within its power, as the Purchaser may in writing at any time and from time to time reasonably request be done, executed and delivered, in order to effectively carry out or better evidence or perfect the full intent and meaning of this General Conveyance.

2.

4. The Vendor irrevocably appoints any officer of the Purchaser to be its attorney, with full power of substitution, to do on the Vendor's behalf anything that the Vendor can lawfully do by an attorney to:

- (a) demand and receive any of the Purchased Assets;
- (b) give receipts and releases for and in respect of the Purchased Assets, and any part thereof;
- (c) institute and prosecute from time to time in the Vendor's name, or otherwise, at the expense of the Purchaser and for the benefit of the Purchaser, any and all proceedings at law, in equity or otherwise, which the Purchaser may deem proper for the receipt, collection, enjoyment, enforcement or reduction to possession of any of the Purchased Assets; and
- (d) without limiting the foregoing, do all acts and things in relation to the Purchased Assets which the Purchaser shall deem desirable, and to do, sign and execute all conveyances and other instruments which may reasonably be necessary or desirable for the purpose of vesting the Purchased Assets in the Purchaser and otherwise carrying out the full intent of the Purchase Agreement.

Such power of attorney is given for valuable consideration acknowledged by the Vendor to be coupled with an interest, shall not be revoked by the dissolution, winding up, surrender of charter, bankruptcy or insolvency of the Vendor and may be exercised by the officers of any successor and assign of the Purchaser.

5. This General Conveyance is entered into pursuant to the Purchase Agreement and is not in derogation of any of the rights or obligations which the parties have under the Purchase Agreement. If there is any conflict or inconsistency between the provisions of this General Conveyance and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall govern.


6. This General Conveyance shall be construed, interpreted and enforced in accordance with the laws of the State of Delaware.

7. This General Conveyance shall enure to the benefit of and be binding upon the parties hereto, their successors and permitted assigns.


[Signature page follows]

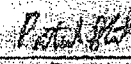
IN WITNESS WHEREOF this General Conveyance has been executed by the Vendor and the Purchaser as of the date and year first above-mentioned.


TRUSTATE INTERNATIONAL INC.

Per: 
Name: J.W. PATTERSON
Title: CEO

TRUSTATE LLC

Per: 
Name: Ramsey Jallad
Title: CEO

Per: 
Name: Patrick Stsch
Title: CTO

Per: 
Name: John Terrill
Title: EVP