

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT2987869

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
BLUELIBRIS INC.	04/12/2012
RECEIVING PARTY DATA	
Name:	NUMERA, INC.
Street Address:	1511 3RD AVENUE, SUITE 808
City:	SEATTLE
State/Country:	WASHINGTON
Postal Code:	98101
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	13237857
CORRESPONDENCE DATA	
Fax Number:	(973)597-1400
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	973-597-2500
Email:	aessick@lowenstein.com
Correspondent Name:	PATENT DOCKET ADMINISTRATOR
Address Line 1:	65 LIVINGSTON AVENUE
Address Line 2:	LOWENSTEIN SANDLER LLP
Address Line 4:	ROSELAND, NEW JERSEY 07068
ATTORNEY DOCKET NUMBER:	27121.5 (P001)
NAME OF SUBMITTER:	ASHLEY R. ESSICK
SIGNATURE:	/Ashley R. Essick/
DATE SIGNED:	08/19/2014
Total Attachments: 53	
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Final 4/11/2012

ASSET PURCHASE AGREEMENT

by and among

IMETRIKUS INTERNATIONAL, INC. A DELAWARE CORPORATION

D/B/A NUMERA

AND

BLUELIBRIS INC.

DATED APRIL 12, 2012

DB2/ 23022472.7

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "*Agreement*") is made and entered into as of April 11, 2012 by and among iMetrikus International, Inc. a Delaware corporation d/b/a Numera ("*Purchaser*") and BlueLibris Inc., a Delaware corporation ("*Seller*"). Certain capitalized terms used herein are defined in Exhibit A.

RECITALS

WHEREAS, Seller is in the business of developing a software solution as a service platform and fall detection cell device (the "*Business*");

WHEREAS, Seller proposes to sell to Purchaser, and Purchaser proposes to purchase from Seller, the assets used or held for use in the Business;

WHEREAS, the Seller or its designee may be entitled to receive contingent payment obligations in a maximum amount of up to \$1,700,000 (the "*Maximum Earnout Amount*") subject to the terms set forth in Section 2.3 herein; and

WHEREAS, concurrently with the execution of this Agreement, each of the employees listed in Annex A (the "*Transferred Employees*") shall execute an employment agreement in substantially the form attached hereto as Exhibit B (each an "*Employment Agreement*" and collectively, the "*Employment Agreements*"), which agreements shall become effective upon Closing.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I DESCRIPTION OF TRANSACTION

1.1 Agreement to Purchase and Sell. Subject to the terms and conditions hereof, at the Closing, Seller shall sell, assign, transfer and deliver to Purchaser, and Purchaser shall purchase, acquire and accept from Seller, all right, title, obligations and interest of Seller in and to all of its assets, properties and rights of every kind, nature, character and description that are used in, related to, or developed or acquired for use in the operation of the Business ("*Related to the Business*"), whether real, personal or mixed, whether tangible or intangible, and wherever situated, in existence on the date hereof, except for the Excluded Assets (such assets, properties and rights being referred to as the "*Assets*"), free and clear of all Encumbrances. The Assets shall include Seller's right, title and interest in and to the following assets, properties and rights, in each case to the extent Related to the Business:

- (a) all tangible assets listed in Schedule 1.1(a);
- (b) all Intellectual Property owned by or licensed to Seller and used in connection with the Business, including but not limited to the Intellectual Property set forth on Schedule 1.1(b) (the "*Seller Intellectual Property*");

(c) the contracts and agreements set forth on Schedule 1.1(c) (the "*Assumed Contracts*"), other than any obligation or liability under any such Assumed Contract arising out of or relating to any default or non-performance by Seller prior to the Closing;

(d) all information, literature, manuals, files, correspondence, records, data, plans, reports, physical or electronic copies of Assumed Contracts and other documents and recorded knowledge, including customer, supplier, price and mailing lists all rights to, but no liability or obligation arising out of or relating to, causes of action, lawsuits, judgments, claims and demands of any nature, whether arising by way of counterclaim or otherwise, but only to the extent relating to or arising out of the assets described in subsections "(a)" through "(f)" of this Section 1.1; and

(e) except as otherwise explicitly excluded in this Section 1.1, all other tangible and intangible assets, property, rights and goodwill of any kind or description, wherever located, that are carried on the books of Seller or in which Seller has a right, title or interest.

1.2 Excluded Assets. Notwithstanding anything to the contrary set forth herein, the Assets shall not include the following assets, properties and rights of Seller (collectively, the "*Excluded Assets*"):

(a) the corporate seals, charter documents, minute books, stock books, tax returns, books of account and other records having to do with the corporate organization of Seller;

(b) all Contracts that are not Assumed Contracts;

(c) the rights that accrue to Seller under this Agreement and the Transaction Documents.

1.3 Assumption of Assumed Liabilities. Effective as of the Closing, Purchaser shall assume the liabilities of Seller listed on Schedule 1.3, to the extent and in the amount each such liability is reflected on Schedule 1.3 (collectively, the "*Assumed Liabilities*"):

Notwithstanding the foregoing, in no event shall the aggregate value of the Assumed Liabilities exceed \$800,000 in the aggregate.

1.4 Excluded Liabilities. Notwithstanding anything herein to the contrary, except for the Assumed Liabilities, Purchaser shall not assume any liability or obligation of Seller whatsoever, whether known or unknown, disclosed or undisclosed, accrued or hereafter arising, absolute or contingent, and Seller, as applicable, shall retain responsibility for all such liabilities and obligations. Without in any way limiting the generality of the preceding sentence, Purchaser shall not assume, and Seller shall be solely responsible for, any liability or obligation, arising from or in connection with the ownership of the Assets or the operation of the Business prior to the Closing, whether or not reflected on the books and records of Seller, including any liability or obligation relating to an Excluded Asset or to the litigation, disputes or other matters disclosed in Schedule 1.4 (all such liabilities and obligations being referred to herein collectively as the "*Excluded Liabilities*").

ARTICLE II
CLOSING; PURCHASE PRICE; ADJUSTMENTS; EARNOUT PAYMENTS

2.1 Closing. The closing hereunder (the "*Closing*") shall take place at 9:00 a.m. Pacific Standard Time at the offices of Morgan, Lewis & Bockius LLP, located at One Market St., Spear Street Tower, San Francisco, California 94105 or such other time and date as the parties may agree in writing. The date on which the Closing occurs is referred to in this Agreement as the "*Closing Date*".

2.2 Purchase Price. As consideration for the sale, assignment, transfer and delivery of the Assets at Closing, Purchaser shall (i) pay to Seller [\$510,031.71 in cash as set forth below (the "*Cash Consideration*"), (ii) satisfy, through assumption, novation, or otherwise, Seller's obligation to VRI in respect of \$250,000 in prepaid service fees under the VRI Contract and Laird Technologies final payment of \$40,000 under Statement of Work; (iii) assume, pay or discharge the Assumed Liabilities pursuant to Section 1.3; and (iv) pay to Seller any Earnout Amounts accruing pursuant to Section 2.3 below. The Cash Consideration will be payable as follows: (a) \$100,000 previously paid by Purchaser as a down payment (the "*Down Payment*"); (b) \$188,812.93 by wire transfer of immediately available funds on the Closing Date to an account designated by Seller; (c) \$73,003.50 by wire transfer of immediately available funds on or before the 30th day after the Closing Date; and (d) \$146,215.28 by wire transfer of immediately available funds on or before the 60th day after the Closing Date; provided, however that items (b)-(d) shall be used by Seller to pay such liabilities as set forth in Schedule 2.2.

2.3 Earnout Amount. As additional consideration for the sale, assignment, transfer and delivery of the Assets at Closing, Purchaser shall pay to Seller any Earnout Amount owed in accordance with and subject to any limitations as set forth in this Section 2.3.

(a) Definitions. For purposes of this Section 2.3, the following terms shall have the following respective meanings:

"*Commercial Availability Date*" means such date on which the Earnout Products becomes available for sale or license to customers.

"*Earnout Amount*" means all or a portion of the Maximum Earnout Amount to be paid depending on the Revenue earned in accordance with Section 2.3 herein.

"*Earnout Period*" means the thirty-six (36) month period commencing on the date of the Commercial Availability Date.

"*Earnout Products*" means products sold or licensed by Purchaser to its customers, which includes use of Seller's Intellectual Property as further described in Annex B

"*Final Sale*" means the gross amount invoiced or otherwise received on account of the sale or other disposition of a product to a third party by Purchaser less the following:

- a) actual credits, allowances, discounts, and rebates to, and charge-backs for the account of, such third parties;
- b) cash, quantity and trade discounts actually granted to such third parties;

- c) the actual amount of bad debt calculated in accordance with generally accepted accounting principles as consistently applied in the United States;
- d) freight and insurance costs incurred in transporting the product to the third parties; and
- e) value added tax, direct tax, customs, duties, surcharges and other governmental charges incurred in connection with the exportation or importation of such product.

A "Final Sale" of a product is deemed to occur upon the invoicing, or if no invoice is issued, upon the earlier of shipment or transfer of title in the product to a third party.

"*Independent Accountant*" means a nationally recognized independent accounting firm mutually acceptable to Purchaser and Seller.

"*Revenue*" means revenue recognized by the Purchaser from the Final Sale of Earnout Products less the following deductions: (1) changes in reserves for doubtful account, and (2) reduced payments from a customer based on invoice payment terms.

(a) Seller Earnout Generally. Purchaser shall pay ten percent (10%) of the Revenue recognized during the Earnout Period to Seller in accordance with the terms of this Section 2.3. Notwithstanding the foregoing, in no event shall the total aggregate payment paid by Purchaser to Seller pursuant to this Section 2.3 exceed the Maximum Earnout Amount. For the avoidance of doubt, if Purchaser does not recognize any Revenue during the Earnout Period, Purchaser shall not be required to pay to Seller any Earnout Amount.

(b) Seller Determination of Earn-out Achievement. As soon as practicable, but no later than ninety (90) days following the close of the Earnout Period, Purchaser shall prepare and deliver to Seller:

(i) a consolidated statement of earnings (the "*Earnout Statement*") which sets forth the (1) Revenue for Earnout Products sold, and (2) Revenue for Earnout Products licensed; and

(ii) balance sheets (1) dated as of the first day of the Earnout Period and (2) dated as of the last day of the Earnout Period.

The Purchaser shall provide reasonable access for the Seller, and their respective accountants and other advisors, to all books, records, work papers and all other supporting accounting documents of the Purchaser regarding the calculation of Revenue.

(c) Seller Review. Upon receipt from Purchaser of the Earnout Statement, the Seller shall have thirty (30) days to review the Earnout Statement (the "*Review Period*"). If the Seller disagrees with the Purchaser's computation of any line item of Revenue from the Earnout Statement, the Seller may, on or prior to the last day of the Earnout Period, deliver a notice to Purchaser (the "*Notice of Objection*") which sets forth the objections to Purchaser's calculation of Revenue. Any Notice of Objection shall specify those items or amounts with which the Seller disagrees, together with a reasonable written explanation of the reasons for disagreement with

each such item or amount, and shall set forth the Seller's calculation of Revenue based on such objections to the extent that the Seller has had access to the books, records, and working papers used by Purchaser to create the Earnout Statement. To the extent not set forth in the Notice of Objection, the Seller shall be deemed to have agreed with Purchaser's calculation of all other items and amounts contained in the Earnout Statement.

(d) Independent Review. Unless the Seller delivers the Notice of Objection to Purchaser within the Review Period, the Seller shall be deemed to have accepted Purchaser's calculation of Revenue, and the Earnout Statement shall be final, conclusive and binding. If the Seller delivers the Notice of Objection to Purchaser within the Review Period, Purchaser and Seller shall, during the thirty (30) days following such delivery or any mutually agreed extension thereof, use their commercially reasonable efforts to reach agreement on the disputed items and amounts in order to determine the amount of Revenue. If, at the end of such period or any mutually agreed extension thereof, Purchaser and Seller are unable to resolve their dispute, such dispute shall be submitted to, and all issues having a bearing on such dispute shall be resolved by the Independent Accountant, whose written determination as to the Earnout Statement shall be conclusive and binding on all parties. In resolving any such dispute, the Independent Accountant shall be authorized to resolve only those items remaining in dispute and any such item shall be resolved only within the range of the difference between Purchaser's position with respect thereto and Seller's position with respect thereto. The determination of the Independent Accountant shall be based solely on briefs submitted by Purchaser and Seller and not on independent review, and shall be accompanied by a certificate of the Independent Accountant that it reached such determination in accordance with the provisions of this Section 2.3(e). Purchaser and Seller shall use their reasonable best efforts to cause the Independent Accountant to render a written decision resolving the matters submitted to it within thirty (30) days following the submission thereof. Upon receipt of the determination of the Independent Accountant, Purchaser will revise the Earnout Statement as necessary to reflect any changes to Revenue. All fees and expenses charged by the Independent Accountant for the resolution of such dispute shall be shared equally by Purchaser and Seller.

(e) Payment of Earnout Amount. Purchaser shall pay any Earnout Amount or portion thereof that it becomes obligated to pay pursuant to this Section 2.3 as soon as reasonably practicable following the end of the Earnout Period or the resolution of any dispute related to the Earnout Amount, subject to any Recoupment as set forth in Section 6.8; provided, however, that Purchaser shall have the right, but not the obligation, to prepay any Earnout Amount owed at any time at its sole discretion. Any Earnout Amount accrued but not paid annually (i) shall accrue interest at the rate of 3.5% per annum and (ii) shall become due and payable upon any Change in Control of the Purchaser. For purposes of the foregoing, a "**Change in Control**" means the sale of all or substantially all of Purchaser's assets to, or the acquisition of more than fifty percent (50%) of the voting power of Purchaser's voting securities, by a Person who is not a current Affiliate of the Purchaser. Any Earnout Amount paid to Seller by Purchaser shall be considered and reported by the parties hereto as part of the consideration paid by Purchaser pursuant to this Article II.

(f) Good Faith Support. Purchaser agrees that it shall use good faith efforts to support the Business during the Earnout Period in a manner consistent with its support of its own businesses, including efforts to bring the Earnout Products to Commercial Availability. During

the Earnout Period, Purchaser shall provide to Seller, on an annual basis upon written request, information on the amount of and method of determination of the Revenue for the prior year.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth on the Seller Disclosure Schedule (which shall qualify the representations and warranties of Seller set forth in this Article III and which shall be organized in Sections corresponding to the numbering in this Article III with disclosures in each Section specifically corresponding to a particular Section and Subsection of this Article III), Seller hereby represents and warrants to Purchaser as of the date hereof as follows:

3.1 Organization; Good Standing and Qualification. Seller is a corporation duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business (including the Business). Seller is duly qualified to transact business and is in good standing in all jurisdictions in which the nature of its respective business or of its respective properties makes such qualification necessary. Seller has delivered a true and correct copy of its organizational documents, as amended to date and in full force and effect as of the date hereof, to Purchaser.

3.2 Authority; Binding Nature of Agreement. Seller has the absolute and unrestricted right, power and authority to enter into and to perform its obligations under this Agreement and the other Transaction Documents to which Seller is a party, and the execution, delivery and performance by Seller of this Agreement and the other Transaction Documents to which Seller is a party have been duly authorized by all necessary action on the part of Seller. This Agreement is, and the other Transaction Documents to which Seller is or will be a party will be, when executed and delivered by the parties thereto, the valid and binding obligation of Seller enforceable against Seller in accordance with their respective terms, subject to: (i) applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to creditors' rights or creditors' remedies generally; and (ii) general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the other Transaction Documents and to perform its respective obligations under this Agreement and the other Transaction Documents.

3.3 Absence of Restrictions and Conflicts; Required Consents.

(a) Neither the execution, delivery or performance by Seller of this Agreement or any of the other Transaction Documents, nor the consummation of the transactions contemplated hereby and thereby, will directly or indirectly (with or without the giving of notice or the lapse of time or both): (i) contravene, conflict with or result in a violation of any of the provisions of the certificate of incorporation or bylaws of Seller; (ii) contravene, conflict with or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated by this Agreement or any of the other Transaction Documents or to exercise any remedy or obtain any relief under, any Law or any order, writ, injunction, judgment or decree to which Seller, or any of the Assets, is subject; (iii) contravene, conflict with

or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by Seller or that otherwise relates to the Business or to any of the Assets; (iv) contravene, conflict with or result in a violation or breach of, or result in a default under, any provision of any Contract, or give any Person the right to: (1) declare a default or exercise any remedy under any such Contract, or (2) modify, terminate or accelerate any right, liability or obligation of Seller under any such Contract, or charge any fee, penalty or similar payment to Seller under any such Contract; or (v) result in the imposition or creation of any Encumbrance upon or with respect to any Asset.

(b) No filing with, notice to or consent from any Person is required in connection with the execution, delivery or performance by Seller of this Agreement or any of the other Transaction Documents, or the consummation of the transactions contemplated hereby and thereby.

3.4 Financial Statements. Section 3.4 of the Seller Disclosure Schedule includes complete and correct copies of the Company's consolidated unaudited financial statements as of December 31, 2011 (the "*Financial Statements*"). The Financial Statements are (i) complete in all material respects and have been prepared in conformity with (A) the books and records of Seller, and (B) GAAP, applied on a consistent basis throughout the periods covered thereby (subject to year-end adjustments and the absence of footnotes); and (ii) fairly present in all material respects the financial condition of Seller as of such dates and the results of Seller's operations, changes in shareholders' equity and cash flows for the periods then ended. No financial statement of any Person is required by GAAP to be included in the Financial Statements. There are no liabilities or obligations of Seller Related to the Business of any kind whatsoever (absolute, accrued, contingent, determined, determinable or otherwise), whether known or unknown, except such liabilities or obligations: (i) that are fully reflected or provided for in the balance sheet in the Financial Statements; (ii) that have arisen in the ordinary course of business, consistent with past practice, since the date of the Financial Statements, (iii) that are not, individually or in the aggregate, material in amount, or (iv) that are expressly set forth in executory Contracts of Seller.

3.5 Title to and Sufficiency of the Assets. (a) Seller has and shall convey to Purchaser at the Closing good and valid title to, or valid leasehold interests in, all of the Assets, free and clear of all Encumbrances. (b) Except for any employees who do not become Transferred Employees, the Assets constitute all of the property, rights and assets necessary and sufficient to permit Purchaser to conduct the Business after the Closing in accordance with Seller's past practices and as presently planned to be conducted.

3.6 Contracts.

(a) Section 3.6(a) of the Seller Disclosure Schedule sets forth a true and correct list of all Contracts to which Seller is a party or under which Seller has continuing liabilities and/or obligations, in each case Related to the Business (each, a "*Related Contract*"), of the following nature:

B
RF

(i) each Contract relating to the acquisition, transfer, use, development, sharing or license of any technology or any Intellectual Property, other than "shrink-wrap" and similar commercially available end-user licenses;

(ii) all Contracts that: (A) limit, or purport to limit, the ability of Seller, or any officers, directors, employees, shareholders or other equity holders, agents or representatives of Seller (in their capacity as such), to compete in any line of business or with any Person or in any geographic area or during any period of time; (B) would by their terms purport to be binding upon or impose any obligation upon any Affiliate of Seller; (C) contain any so called "most favored nation" provisions or any similar provision requiring Seller to offer a third party terms or concessions (including levels of service or content offerings) at least as favorable as offered to one or more other parties; or (D) provide for "exclusivity," preferred treatment or any similar requirement or under which Seller or any of its Affiliates is restricted with respect to distribution, licensing, marketing, co-marketing or development;

(iii) bonds, debentures, notes, credit or loan agreements or loan commitments, mortgages or other similar Contracts relating to the borrowing of money or the deferred purchase price of property or binding upon any of the Assets;

(iv) each Contract relating to the creation of any Encumbrance with respect to any Asset;

(v) each Contract involving or incorporating any guaranty, any pledge, any performance or completion bond, any indemnity or any surety arrangement;

(vi) each Contract creating or relating to any partnership or joint venture or any sharing of revenues, profits, losses, costs or liabilities;

(vii) each Contract relating to the purchase or sale of any product or other Asset by or to, or the performance of any services by or for, any Related Party;

(viii) each Contract providing for "earn outs," "performance guarantees," or other similar contingent payments, by or to Seller;

(ix) Contracts granting any Person an option or a right of first refusal, first-offer or similar preferential right to purchase or acquire any of the Assets;

(x) Contracts for the granting or receiving of a license, sublicense or franchise or under which any Person is obligated to pay or has the right to receive a royalty, license fee, franchise fee or similar payment, other than "shrink-wrap" and similar commercially available end-user licenses;

(xi) Contracts with Customers; and

(xii) any other Contract that: (A) requires (x) the payment or delivery of cash or other consideration in an amount or having a value in excess of \$5,000 in the aggregate, or (y) the purchase or sale of any product, or performance of services by or to Seller having a value in excess of \$5,000 in the aggregate; or (B) has a term of more than sixty (60) days and

that may not be terminated by Seller (without penalty) within sixty (60) days after the delivery of a termination notice by Seller.

(b) Seller has delivered to Purchaser true and complete copies of all written Related Contracts. Section 3.6(b) of the Seller Disclosure Schedule provides an accurate description of the terms of each Related Contract that is not in written form.

(c) Seller has not materially violated or breached, or committed any default under, any Contract, and, to the Knowledge of Seller, no other Person has violated or breached, or committed any default under, any Contract.

(d) The Related Contracts collectively constitute all of the Contracts necessary to enable Seller to conduct the Business as it is currently being conducted.

3.7 Intellectual Property.

(a) Section 3.7(a) of the Seller Disclosure Schedule contains a true and correct list of all Seller Registered Intellectual Property. All necessary registration, maintenance and renewal fees currently due in connection with the Seller Registered Intellectual Property have been made and all necessary documents, recordations and certifications in connection with such Seller Registered Intellectual Property have been filed with the relevant Governmental Bodies for the purpose of maintaining such Seller Registered Intellectual Property. Except as set forth on Section 3.7(a) of the Disclosure Schedule, Seller has not licensed, assigned, sold, transferred, or Encumbered any of it Intellectual Property.

(b) Seller owns, or is licensed or otherwise has the right to use, free and clear of any Encumbrances all Intellectual Property used in connection with the operation and conduct of the Business.

(c) All Seller Intellectual Property which Seller purports to own was developed by: (i) an employee of Seller working within the scope of his or her employment at the time of such development; or (ii) agents, consultants, contractors or other Persons who have executed appropriate instruments of assignment in favor of Seller as assignee that have conveyed to Seller ownership of all Intellectual Property rights in the Seller Intellectual Property. To the extent that any Seller Intellectual Property has been developed or created by a third party for Seller, Seller has a written agreement with such third party with respect thereto and Seller thereby either: (A) has obtained ownership of and is the exclusive owner of; or (B) has obtained a fully-paid, worldwide, irrevocable license (sufficient for the conduct of the Business as currently conducted) to, all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment.

(d) To the Knowledge of Seller, neither Seller nor any of the products or services offered in connection with the Business has infringed upon or otherwise violated, or is infringing upon or otherwise violating, the Intellectual Property of any third party. To the Knowledge of Seller, no Person has infringed upon or violated, or is infringing upon or violating, any Seller Intellectual Property.

(e) To the Knowledge of Seller, Seller is not subject to any proceeding or outstanding decree, order, judgment, agreement or stipulation: (i) restricting in any manner the use, transfer or licensing by Seller of any of the Seller Intellectual Property; or (ii) that may affect the validity, use or enforceability of the Seller Intellectual Property or any product or service of the Business related thereto.

(f) To the Knowledge of Seller, Seller has taken reasonable steps to protect its rights in the Confidential Information and any trade secret or confidential information of third parties used by Seller, and, except under confidentiality obligations, there has not been any disclosure by Seller of any Confidential Information or any such trade secret or confidential information of third parties.

3.8 Compliance with Law. To the Knowledge of Seller, Seller is, and has been, in material compliance with all applicable Laws. Seller has not received any notice or other communication from any Governmental Body regarding any actual or possible violation of, or failure to comply with, any Law.

3.9 Tax Matters.

(a) All federal income Tax Returns and all other material Tax Returns required to have been filed by Seller have been duly and timely filed, and each such Tax Return was correct and complete in all material respects and has been prepared in substantial compliance with all applicable Law. Section 3.9(a) of the Seller Disclosure Schedule contains a list of all jurisdictions (whether foreign or domestic) in which Seller does or is required to file Tax Returns. No claim has ever been made by a Governmental Body in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation or to a requirement to file Tax Returns in that jurisdiction.

(b) All material Taxes due and owing by Seller (whether or not shown on any Tax Return) have been paid or will be paid prior to the Closing and Seller is not currently delinquent with respect to the payment of any Tax.

(c) Seller has withheld all material amounts of Taxes required to be withheld from its employees, agents, contractors, creditors, shareholders and third parties and remitted such amounts to the proper Governmental Body and filed all federal, state, local and foreign returns and reports with respect to employee income Tax withholding, social security, unemployment, and other similar Taxes, all in material compliance with the withholding provisions of the Code, or any prior provision of the Code and other applicable Law.

(d) To the Knowledge of Seller, there is no audit, claim, action, suit, proceeding or investigation currently pending against Seller in respect of any Taxes nor has Seller been informed of the commencement or anticipated commencement or contemplation of any such activity. There are no Encumbrances on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Tax, other than Encumbrances for Taxes not yet due and payable. Seller has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

3.10 Legal Proceedings; Orders.

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(a) There is no pending Legal Proceeding and, to the Knowledge of Seller, no Person has threatened to commence any Legal Proceeding: (i) that involves Seller or any of the Assets or any Person whose liability Seller has or may have retained or assumed, either contractually or by operation of law; or (ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated by this Agreement or any of the other Transaction Documents. To the Knowledge of Seller, no event has occurred, and no claim, dispute or other condition or circumstance exists, that will, or that would reasonably be expected to, give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(b) There is no order, writ, injunction, judgment or decree to which Seller, or any of the Assets, is subject. To the Knowledge of Seller, no officer or other employee is subject to any order, writ, injunction, judgment or decree that prohibits such officer or other employee from engaging in or continuing any conduct, activity or practice relating to the Business.

3.11 Brokers or Finder's Fee. Seller has not dealt with any broker or finder in connection with the transactions contemplated by this Agreement. Seller has not incurred and shall not incur, directly or indirectly, any liability for any brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

3.12 Non-Reliance. Other than the representations set forth in this Article III, as qualified by the Seller Disclosure Schedule, and certificates delivered in connection with the transactions contemplated by this Agreement, Purchaser has not relied on any representation, warranty or other statement about Seller, the Assets or the Business in connection with the transactions contemplated by this Agreement. Purchaser acknowledges that, except for the representations and warranties contained in this Agreement (as qualified by the Seller Disclosure Schedule), and certificates delivered in connection with the transactions contemplated by this Agreement, the Seller has not made any other representations or warranties to Purchaser in connection with the transactions contemplated by this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as of the date hereof as follows:

4.1 Corporate Existence and Power. Purchaser is a corporation duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its incorporation, and has all corporate power required to conduct its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified would not have a material adverse effect on Purchaser's business, financial condition or results of operations.

4.2 Authorization; Binding Nature of Agreement. Purchaser has the absolute and unrestricted right, power and authority to perform its obligations under this Agreement and the other Transaction Documents to which it is a party, and the execution, delivery and performance

by Purchaser of this Agreement and the other Transaction Documents have been duly authorized by all necessary action on the part of Purchaser and its respective boards of directors. This Agreement is, and the other Transaction Documents to which Purchaser is or will be a party will be, when executed and delivered by the parties thereto, the valid and binding obligation of Purchaser enforceable against Purchaser in accordance with their respective terms, subject to: (i) applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to creditors' rights or creditors' remedies generally; and (ii) general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Purchaser has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the other Transaction Documents and to perform its respective obligations under this Agreement and the other Transaction Documents.

ARTICLE V COVENANTS AND AGREEMENTS

5.1 Reasonable Efforts; Further Assurances; Cooperation. Subject to the other provisions of this Agreement, the parties hereto shall each use commercially reasonable efforts to perform their obligations herein and to take, or cause to be taken or do, or cause to be done, all things necessary, proper or advisable under applicable Law to satisfy all conditions to the obligations of the parties under this Agreement and to cause the transactions contemplated herein to be effected in accordance with the terms hereof and shall cooperate fully with each other and their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement. In addition, Seller agrees that if Purchaser is required under any federal, state or local rules, regulations or laws to perform an audit of the Business, then Seller shall cooperate with Purchaser and Purchaser's accountants and other professional advisors in all reasonable respects.

5.2 Post Closing Tax Covenants. Seller will be responsible for the preparation and filing of all Tax Returns of Seller. Purchaser will be responsible for the preparation and filing of all Tax Returns it is required to file with respect to Purchaser's ownership or use of the Assets or its operation of the Business attributable to taxable periods beginning after the Closing.

5.3 VRI Contract. With respect to the VRI Contract, Seller shall use commercially reasonable efforts to assist Purchaser in obtaining the consent of the other party thereto to the assignment thereof to Purchaser or its designees, or a novation thereof or amendments thereto such that Purchaser or its designees shall be able to secure the benefits of such VRI Contract directly. Purchaser shall assume, and Seller shall be relieved of, Seller's obligation with respect to \$250,000 in prepaid service fees paid by VRI under the VRI Contract, as set forth in Section 2.2(ii).

5.4 Non-Retention and Removal of Software and Technology. Following the Closing, neither Seller nor any employee shall retain any copies or embodiments of any Software or Seller Intellectual Property included in the Assets, even if such Software or Seller Intellectual Property are such that more than one copy may exist and Seller shall remove all copies of such Software or Seller Intellectual Property from any and all computers or other similar machines retained by Seller or its employees.

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5.5 Transferred Employees. Each of the Transferred Employees shall have accepted offers of employment from Purchaser to continue their employment with Purchaser or an Affiliate of Purchaser after the Closing.

ARTICLE VI
SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

6.1 Survival of Representations and Warranties.

(a) Except as otherwise expressly provided in this Section 6.1(a), all representations and warranties contained in this Agreement and the Transaction Documents shall survive the Closing and shall remain in full force and effect for a period of eighteen (18) months; provided, however, that (i) the Fundamental Representations shall survive the Closing indefinitely; and (ii) the representation in Section 3.9 and the related indemnification obligations set forth in this Article VI (the "*Statutory Representations*"), shall survive the Closing and remain in full force and effect until the date that is sixty (60) days following the expiration of any statute of limitations applicable to the rights of any Person to bring any claim with respect to such matters.

(b) Subject to Section 6.1(c), the covenants and agreements made by the parties herein, together with the related indemnification obligations set forth in this Article VI, shall survive the Closing and shall remain in full force and effect: (i) until fully performed or fulfilled, unless non-compliance with such covenants or obligations is waived in writing by the other party; or (ii) if not fully performed or fulfilled or waived in writing by the other party, indefinitely.

(c) If, at any time prior to the expiration of the applicable survival period set forth above with respect to any particular representation, warranty, covenant, agreement or obligation of a party, such party shall have been properly and in good faith been notified of a claim for indemnity under this Article VI, then the the claim asserted in such notice and all corresponding indemnification rights of the Indemnified Parties set forth in this Article VI with respect to such claim shall survive until such time as such claim is fully and finally resolved in accordance with this Agreement.

(d) Notwithstanding anything herein to the contrary, the representations and warranties of any party contained in this Agreement shall, for purposes of the indemnification obligations of such party and the Indemnified Parties' rights pursuant to this Article VI, be deemed to be made as of the Closing Date (except with respect to such representations or warranties that address matters only as of a particular date, which shall have been true and correct in all respects as of such particular date), subject to any exceptions set forth in the applicable portion of the Schedules (without giving effect to any such exceptions delivered after the Closing Date).

6.2 Indemnification. Seller agrees to indemnify, defend and hold harmless Purchaser, each of Purchaser's Affiliates and each of their respective officers, directors, employees, shareholders and authorized agents and their successors and permitted assigns (each an "*Indemnified Party*" and collectively the "*Indemnified Parties*") from, against and in respect of

any and all Losses that any Indemnified Party may at any time suffer or incur, or become subject to, as a result of, or in connection with:

(a) any breach or inaccuracy of any of the representations and warranties of Seller set forth in this Agreement (including the representations and warranties set forth in Article III), the other Transaction Documents and any other certificates, schedules or instruments delivered or executed by or on behalf of Seller at or prior to the Closing in connection with this Agreement and the other Transaction Documents, disregarding for purposes of this Section 6.2 any materiality qualifications or thresholds contained or incorporated directly or indirectly in any such representation or warranty (other than materiality qualifications or thresholds that are used in connection with the preparation of schedules in the Seller Disclosure Schedules requiring the listing of certain matters with respect to materiality);

(b) any failure of Seller to carry out, perform, satisfy and discharge any of its covenants or obligations under this Agreement, any of the other Transaction Documents and any other certificates, schedules or instruments delivered or executed by or on behalf of Seller at or prior to the Closing in connection with this Agreement and the other Transaction Documents as mutually agreed by the parties hereto; or

(c) any Excluded Liabilities.

The foregoing notwithstanding, Seller's liability to Purchaser in respect of any claims or breaches by Seller of such items (a)-(c) as set forth in Section 6.2 above shall (i) in no event exceed \$550,000 in aggregate amount, and (ii) be applied solely through Recoupment in accordance with Section 6.6.

6.3 Indemnification Procedures

(a) In the event that an Indemnified Party receives notice of the assertion of any claim or the commencement of any Legal Proceeding by a third party in respect of which indemnity may be sought under the provisions of this Article VI ("**Third Party Claim**"), the Indemnified Party shall promptly notify the Seller in writing of such Third Party Claim ("**Notice of Claim**"). Failure or delay in notifying the Indemnified Party will not relieve the Seller of any liability it may have to the Indemnified Party, except and only to the extent that such failure or delay causes actual harm to the Seller with respect to such Third Party Claim. The Notice of Claim shall set forth the amount, if known, or, if not known, an estimate of the foreseeable maximum amount of claimed Losses (which estimate shall not be conclusive of the final amount of such Losses) and a description of the basis for such Third Party Claim.

(b) Subject to the further provisions of this Section 6.3, the Seller will have ten (10) days (or less if the nature of the Third Party Claim requires) from the date on which the Seller received the Notice of Claim to notify the Indemnified Party that the Seller will assume the defense or prosecution of such Third Party Claim and any litigation resulting therefrom with counsel of its choice and at its sole cost and expense (a "**Third Party Defense**"). If the Seller assumes the Third Party Defense in accordance with the preceding sentence, the Seller shall be conclusively deemed to have acknowledged that the Third Party Claim is within the scope of its indemnity obligation hereunder and shall hold the Indemnified Party harmless from and against

the full amount of any Losses resulting therefrom (subject to the terms and conditions of this Agreement). Any Indemnified Party shall have the right to employ separate counsel in any such Third Party Defense and to participate therein, but the fees and expenses of such counsel shall not be at the expense of the Seller unless (A) the Seller shall have failed, within the time after having been notified by the Indemnified Party of the existence of the Third Party Claim as provided in the first sentence of this paragraph (b), to assume the defense of such Third Party Claim, or (B) the employment of such counsel has been specifically authorized in writing by the Seller, which authorization shall not be unreasonably withheld.

(c) The Seller will not be entitled to assume the Third Party Defense if:

(i) the Third Party Claim seeks, in addition to or in lieu of monetary damages, any injunctive or other equitable relief (except where non-monetary relief is merely incidental to a primary claim or claims for monetary damages);

(ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation;

(iii) under applicable standards of professional conduct, a conflict on any significant issue exists between the Indemnified Party and the Seller in respect of the Third Party Claim;

(iv) the Third Party Claim involves a material customer or supplier of the Business;

(v) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be detrimental to or injure the Indemnified Party's reputation or future business prospects; or

(vi) the Seller failed or is failing to vigorously prosecute or defend such Third Party Claim.

(d) If the Seller assumes a Third Party Defense, it will take all steps necessary in the defense, prosecution, or settlement of such claim or litigation and will hold all Indemnified Parties harmless from and against all Losses caused by or arising out of such Third Party Claim. The Seller will not consent to the entry of any judgment or enter into any settlement except with the written consent of the Indemnified Party to which the Seller is obligated to furnish indemnification pursuant to this Agreement; provided that the consent of the Indemnified Party shall not be required if all of the following conditions are met: (i) the terms of the judgment or proposed settlement include as an unconditional term thereof the giving to the Indemnified Parties by the third party of a release of the Indemnified Parties from all Liability in respect of such Third Party Claim, (ii) there is no finding or admission of (A) any violation of Law by the Indemnified Parties (or any Affiliate thereof), (B) any violation of the rights of any Person and (C) no effect on any other Legal Proceeding or claims of a similar nature that may be made against the Indemnified Parties (or any Affiliate thereof), and (iii) the sole form of relief is monetary damages which are paid in full by the Seller. The Seller shall conduct the defense of the Third Party Claim actively and diligently, and the Indemnified Party will provide reasonable cooperation in the defense of the Third Party Claim. So long as the Seller is reasonably

conducting the Third Party Defense in good faith, the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Seller (not to be unreasonably withheld or delayed).

Notwithstanding the foregoing, the Indemnified Party shall have the right to pay or settle any such Third Party Claim; provided that, in such event, subject to the following sentence, it shall waive any right to indemnity therefor by the Seller for such claim unless the Seller shall have consented to such payment or settlement (such consent not to be unreasonably withheld or delayed). If the Seller is not reasonably conducting the Third Party Defense in good faith, the Indemnified Party shall have the right to consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Seller and the Seller shall reimburse the Indemnified Party promptly for all Losses incurred in connection with such judgment or settlement.

(c) In the event that (i) an Indemnified Party gives Notice of Claim to the Seller and the Seller fails or elects not to assume a Third Party Defense which the Seller had the right to assume under this Section 6.3 or (ii) the Seller is not entitled to assume the Third Party Defense pursuant to this Section 6.3, the Indemnified Party shall have the right, with counsel of its choice, to defend, conduct and control the Third Party Defense, at the sole cost and expense of the Seller. In each case, the Indemnified Party shall conduct the Third Party Defense actively and diligently, and the Seller will provide reasonable cooperation in the Third Party Defense. The Indemnified Party shall have the right to consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim on such terms as it may deem appropriate; provided, however, that the amount of any settlement made or entry of any judgment consented to by the Indemnified Party without the consent of the Seller shall not be determinative of the validity of the claim, except with the consent of the Seller (not to be unreasonably withheld or delayed). Notwithstanding Section 6.4 hereof, in connection with any Third Party Claim, the Seller hereby consents to the nonexclusive jurisdiction of any court in which an Legal Proceeding in respect of a Third Party Claim is brought against any Indemnified Party for purposes of any claim that the Indemnified Party may have under this Article VI with respect to such Legal Proceeding or the matters alleged therein and agrees that process may be served on the Seller with respect to such a claim anywhere in the world. If the Seller does not elect to assume a Third Party Defense which it has the right to assume hereunder, the Indemnified Party shall have no obligation to do so.

6.4 Effect of Investigation; Waiver. An Indemnified Party's right to indemnification or other remedies based upon the representations and warranties and covenants and agreements of the Seller will not be affected by any investigation or knowledge of the Indemnified Party or any waiver by the Indemnified Party of any condition based on the accuracy of any representation or warranty, or compliance with any covenant or agreement. Such representations and warranties and covenants and agreements shall not be affected or deemed waived by reason of the fact that the Indemnified Party knew or should have known that any representation or warranty might be inaccurate or that the Seller failed to comply with any agreement or covenant. Any investigation by such party shall be for its own protection only and shall not affect or impair any right or remedy hereunder.

6.5 Exclusive Remedy. The indemnification rights of the parties under this Article VI shall be subject to the limitation set forth in last paragraph of Section 6.2 and shall be the sole

and exclusive remedy of the Purchaser and any Indemnified Party hereto in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, except for specific performance claims against the Seller and claims based upon Seller's fraud with intent to deceive.

6.6 Recoupment and Offset. Upon notice to Seller in reasonable detail the basis therefor of any claim for indemnification and resulting Loss (the "*Recoupment Notice*"), Purchaser shall have the right to set-off any amount to which it is entitled under this Article VI against amounts otherwise payable to the Sellers as the Earnout Amount (the "*Recoupment*"), subject to the limitation set forth in the last paragraph of Section 6.2.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.1 Further Actions. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

7.2 Fees and Expenses. Each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement and the exhibits hereto.

7.3 Assignment and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

7.4 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), or (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment confirmed with a copy delivered as provided in clause (a), in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

If to Seller:

Ram Fish

3704 Fair Oaks Ave

Menlo Park, Ca 94025

Attn: Ram Fish

With a copy to:

[•]Linda Khachooni
[•]27973 Via Ventana
[•]Los Altos Hills, Ca 94022
Attn: [•]Linda Khachooni

If to Purchaser:

iMetrikus International, Inc. d/b/a Numera

[•]1700 Owens St Suite 515
[•]San Francisco, Ca 94158
Attn: [•] Steve Halasz
Fax: [•]

With a copy to: Morgan, Lewis and Bockius LLP

[•]One Market Spear Street Tower
[•]San Francisco, Ca 94105

Attn: [•]Scott D Karchmer
Fax: [•]415-442-1001

7.5 Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof. Each of the parties hereto irrevocably consent to the exclusive jurisdiction and venue of any court within [Santa Clara] County, State of California, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein. Each party agrees not to commence any legal proceedings related hereto except in such courts.

7.6 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

7.7 Waiver; Amendment. Any agreement on the part of a party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by a party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time. This Agreement may not be amended, modified or supplemented except by written agreement of the parties.

7.8 Construction: Usage.

(a) Interpretation. In this Agreement, unless a clear contrary intention appears:

- (i) the singular number includes the plural number and vice versa;
- (ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (iii) reference to any gender includes each other gender;
- (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (v) reference to any Law means such Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Law means that provision of such Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;
- (vi) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;
- (vii) "including" means including without limiting the generality of any description preceding such term; and
- (viii) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

(b) Legal Representation of the Parties. This Agreement was negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

(c) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(d) Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

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7.9 Execution of Agreement; Counterparts; Electronic Signatures. This Agreement may be executed in counterparts and by facsimile signatures, any one of which need not contain the signatures of more than one party and each of which shall be an original, but all such counterparts taken together shall constitute one and the same instrument. The exchange of copies of this Agreement or amendments thereto and of signature pages by facsimile transmission or by e-mail transmission in portable digital format (or similar format) shall constitute effective execution and delivery of such instrument(s) as to the parties and may be used in lieu of the original Agreement or amendment for all purposes. Signatures of the parties transmitted by facsimile or by e-mail transmission in portable digital format (or similar format) shall be deemed to be their original signatures for all purposes.

7.10 Compliance with Bulk Sales Laws. Each party hereby waives compliance by the parties with the "bulk sales," "bulk transfers" or similar Laws and all other similar Laws in all applicable jurisdictions in respect of the transactions contemplated by this Agreement.

7.11 Schedules and Exhibits. The Schedules and Exhibits (including the Seller Disclosure Schedule) are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

7.12 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto), together with the other Transaction Documents, constitutes the entire agreement among the parties hereto and supersedes all other prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter hereof and thereof.

* * *

[Signature Page to Follow]

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IN WITNESS WHEREOF, the parties below have caused this Asset Purchase Agreement to be duly executed, as of the date first above written.

PURCHASER:


iMetrikus International, d/b/a Numera

By: 
Tim Smokoff
Chief Executive Officer

By: _____
William J. Rutter
Chairman

SELLER:

**BlueLibris Inc.
Ram Fish Chairman**

By: 
Name: RAM FISH
Title: Chairman

-Signature Page to Asset Purchase Agreement-

EXHIBIT A
CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

“**Affiliate**” means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person.

“**Agreement**” shall have the meaning given to such term in the Preamble to this Agreement.

“**Acquisition Transaction**” shall have the meaning given to such term in Section 5.8.

“**Assets**” shall have the meaning given to such term in Section 1.1.

“**Assumed Liabilities**” shall have the meaning given to such term in Section 1.3.

“**Business**” shall have the meaning given to such term in the Recitals to this Agreement.

“**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of [San Francisco, California].

“**Cash Consideration**” shall have the meaning given to such term in Section 2.2.

“**Change in Control**” shall have the meaning given to such term in Section 2.3(f).

“**Closing**” shall have the meaning given to such term in Section 2.1.

“**Closing Date**” shall have the meaning given to such term in Section 2.1.

“**Code**” means the United States Internal Revenue Code of 1986.

“**Commercial Availability Date**” shall have the meaning given to such term in Section 2.3(a).

“**Confidential Information**” means any data or information concerning Seller (including trade secrets), without regard to form, regarding (for example and including): (i) business process models; (ii) proprietary software; (iii) research, development, products, services, marketing, selling, business plans, budgets, unpublished financial statements, licenses, prices, costs, Contracts, suppliers, customers, and customer lists; (iv) the identity, skills and compensation of employees, contractors, and consultants; (v) specialized training; and (vi) discoveries, developments, trade secrets, processes, formulas, data, lists, and all other works of authorship, mask works, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property Laws or industrial property Laws in the United States or elsewhere. Notwithstanding

the foregoing, no data or information constitutes "Confidential Information" if such data or information is publicly known and in the public domain through means that do not involve a breach by Seller of any covenant or obligation set forth in this Agreement.

"Contract" means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether express or implied.

"Down Payment" shall have the meaning given to such term in Section 2.2.

"Earnout Amount" shall have the meaning given to such term in Section 2.3(a).

"Earnout Period" shall have the meaning given to such term in Section 2.3(a).

"Earnout Products" shall have the meaning given to such term in Section 2.3(a).

"Earnout Statement" shall have the meaning given to such term in Section 2.3(d)(i).

"Employee Benefit Plan" means, with respect to any Person, each plan, fund, program, agreement, arrangement or scheme, including each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained under applicable Laws, that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing benefits to the current and former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), or with respect to which such Person has any liability or obligation, including: (i) each deferred compensation, bonus, incentive compensation, pension, retirement, employee stock ownership, stock purchase, stock option, profit sharing or deferred profit sharing, stock appreciation, phantom stock plan and other equity compensation plan, "welfare" plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA); (ii) each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is either subject to ERISA or is tax qualified under the Code); (iii) each severance plan or agreement, and each other plan providing health, vacation, supplemental unemployment benefit, hospitalization insurance, medical, dental, disability, life insurance, death or survivor benefits, fringe benefits or legal benefits; and (iv) each other employee benefit plan, fund, program, agreement or arrangement.

"Employment Agreement" shall have the meaning given to such term in the Recitals to this Agreement.

"Encumbrance" means any lien, pledge, hypothecation, charge, mortgage, security interest or encumbrance.

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company

(including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

“**ERISA**” means the United States Employee Retirement Income Security Act of 1974.

“**Excluded Assets**” shall have the meaning given to such term in Section 1.2.

“**Excluded Liabilities**” shall have the meaning given to such term in Section 1.4.

“**Final Sale**” shall have the meaning given to such term in Section 2.3(a).

“**Financial Statement**” shall have the meaning given to such term in Section 3.4.

“**Fundamental Representations**” means each of the representations made by the Seller in Section 3.1, Section 3.2, Section 3.5(a) and Section 3.11.

“**GAAP**” means United States generally accepted accounting principles as in effect from time to time.

“**Governmental Authorization**” means any: (i) approval, permit, license, certificate, franchise, permission, clearance, registration, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law; or (ii) right under any Contract with any Governmental Body.

“**Governmental Body**” or “**Governmental Bodies**” means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign, supranational or other government; or (iii) governmental, self-regulatory or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Entity and any court or other tribunal).

“**Indemnified Party**” or “**Indemnified Parties**” shall have the meaning given to such term in Section 6.2.

“**Independent Accountant**” shall have the meaning given to such term in Section 2.3(a).

“**Intellectual Property**” means any or all of the following and all rights, arising out of or associated therewith: (i) all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (ii) all inventions (whether patentable or not), invention disclosures, improvements, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (iii) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto; (iv) all industrial designs and any registrations and applications therefor; (v) all internet uniform resource locators, domain names, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and

service mark registrations and applications therefor; (vi) all Software, databases and data collections and all rights therein; (vii) all moral and economic rights of authors and inventors, however denominated; and (viii) any similar or equivalent rights to any of the foregoing.

“Knowledge of Seller” shall mean (i) the actual knowledge of Ram Fish; and (ii) the knowledge that the directors and officers of Seller would have had following a reasonable investigation, if under the circumstances a reasonable person would have determined such investigation was required or appropriate in the normal course of the fulfillment of such individual’s role in the operations of the Seller.

“Law” means any federal, state, local, municipal, foreign or international, multinational other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

“Legal Proceeding” means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

“Loss” or “Losses” means any and all claims, liabilities, obligations, damages, losses, penalties, fines, judgments, costs and expenses (including amounts paid in settlement, costs of investigation and attorney’s fees and expenses), whenever arising or incurred, arising out of a Third Party Claim or Non-Third Party Claim.

“Material Adverse Effect” means any state of facts, change, event, effect, occurrence or circumstance that, individually or in the aggregate (considered together with all other states of fact, changes, events, effects, occurrences or circumstances), has, has had or would reasonably be expected to have or give rise to a material and adverse impact on: (i) the business, financial condition, assets, liabilities, operations or financial performance of the Business; or (ii) the ability of Seller to consummate the transactions contemplated by this Agreement and the other Transaction Documents or to perform any of its or their obligations hereunder or thereunder.

“Maximum Earnout Amount” shall have the meaning given to such term in the Recitals to this Agreement.

“Notice of Claim” shall have the meaning given to such term in Section 6.3(a).

“Notice of Objection” shall have the meaning given to such term in Section 2.3(e).

“Person” means any individual, corporation, partnership, joint venture, limited liability company, trust, Governmental Body or other organization.

“Pre-Closing Period” shall have the meaning given to such term in Section 5.1.

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“Purchaser” shall have the meaning given to such term in the Preamble to this Agreement.

“Recoupment” shall have the meaning set forth in Section 6.6.

“Recoupment Notice” shall have the meaning set forth in Section 6.6.

“Registered Intellectual Property” means all: (i) patents and patent applications (including provisional applications); (ii) registered trademarks and service marks, applications to register trademarks and service marks, intent-to-use applications, or other registrations or applications related to trademarks and service marks; (iii) registered copyrights and applications for copyright registration; (iv) domain name registrations; and (v) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with or by any Governmental Body.

“Related to the Business” shall have the meaning given to such term in Section 1.1

“Representative” means, with respect to a Person, the officers, directors, employees, agents, attorneys, accountants, advisors and representative of such Person.

“Revenue” shall have the meaning given to such term in Section 2.3(a).

“Review Period” shall have the meaning given to such term in Section 2.3(e).

“Seller” shall have the meaning given to such term in the Preamble to this Agreement.

“Seller Disclosure Schedule” means the disclosure schedule delivered to Purchaser on behalf of Seller on the Closing Date.

“Seller Intellectual Property” shall have the meaning given to such term in Section 1.1(c).

“Seller Registered Intellectual Property” means all of the Registered Intellectual Property owned by, filed in the name of, or licensed to Seller.

“Seller Representative” shall have the meaning given to such term in Section 2.3(a).

“Seller Agreement” shall have the meaning given to such term in Section 2.3(a).

“Software” means any computer software program, together with any error corrections, updates, modifications, or enhancements thereto, in both machine-readable form and human-readable form, including all comments and any procedural code.

“Statutory Representations” shall have the meaning set forth in Section 6.1(a).

“Tax” or “Taxes” means any tax (including any income tax, franchise tax, capital gains tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, transfer tax, stamp

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tax, sales tax, use tax, property tax, business tax, withholding tax or payroll tax), levy, assessment, tariff, duty (including any customs duty), deficiency or fee, and any related charge or amount (including any fine, penalty or interest), imposed, assessed or collected by or under the authority of any Governmental Body.

“Tax Return” means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

“Third Party Claim” shall have the meaning given to such term in Section 6.3(a).

“Third Party Defense” shall have the meaning given to such term in Section 6.3(b).

“Transaction Documents” means this Agreement and all other documents and certificates contemplated herein or delivered pursuant hereto, including the Employment Agreements.

“Transferred Employees” shall have the meaning given to such term in the Recitals to this Agreement.

“VRI Contract” shall mean the Sales and Subscription Agreement between Seller and Valued Relationships, Inc. May 18, 2011

Exhibit B

The follow Employment Agreements executed by Henry Messenger, Matthew Maiback and Evgenia Sheep.

[to be provided to David Kinnan]

Annex A

Schedule of Transferred Employees

Henry Messenger

Matthew Maibach

Evgenia Sheep

EPT

Annex B

Definition of Earnout Products for Clarification Purposes

Seller's current product includes the software solution as a service platform with fall detection, cellular mobile technology, cellular Bluetooth gateway, voice communication with GPS. For clarification purposes products and solutions that include Seller's service platform, fall detection, cellular solution, cellular Bluetooth or its voice communication solution would be considered Earnout Products. Future products including any one or more of these solutions are included in Earnout Products.

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Seller Disclosure Schedule

This constitutes the Disclosure Schedule to the Asset Purchase Agreement, dated April 12, 2012 (the "*Agreement*"), by and between **BlueLibris Inc.**, a Delaware corporation (the "*Company*") and **iMetrikus International, Inc.** a Delaware corporation d/b/a Numera ("*Purchaser*"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement. Unless expressly set forth otherwise in this Disclosure Schedule, non-capitalized terms defined in the Agreement and used herein shall have the respective meanings ascribed to such terms in the Agreement.

This Disclosure Schedule provides certain information required by, and certain exceptions to and qualifications of, the representations, warranties and covenants of the Company set forth in the Agreement and has been arranged in parts and subparts corresponding to the numbered and lettered Sections and subsections contained in the Agreement. The representations, warranties and covenants applicable to the Company in Article III and V of the Agreement are subject to the exceptions and disclosures set forth in the corresponding part or subpart of this Disclosure Schedule, denoted by the caption "*Section*" preceding the corresponding Section and subsection numbering or lettering. The schedules specifically identified in Article I and II of the Agreement are denoted in this Disclosure Schedule by the caption "*Schedule*" preceding the corresponding Section and subsection numbering or lettering, and the representations, warranties and covenants applicable to the Company in the Agreement are also subject to these schedules. Any exceptions or disclosures explicitly cross-referenced in any part or subpart of this Disclosure Schedule by reference to another part or subpart of this Disclosure Schedule and any exception or disclosure set forth in any other part or subpart of this Disclosure Schedule to which it is reasonably and readily apparent such information is responsive as though fully set forth in such other sections (whether or not a cross-reference to such other section is specifically made).

No reference to or disclosure of any item or other matter in this Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material, has resulted in or would result in a Material Adverse Effect, is outside the ordinary course of the Company's business, or that such item or other matter is required to be referred to or disclosed in this Disclosure Schedule. Nor shall the reference to a particular material Contract (other than the Agreement) by itself be deemed to make the representations and warranties made by the Company in such material Contract to the other parties to such material Contract constitute representations or warranties of the Company to Parent under the Agreement. Moreover, no disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred.

This Disclosure Schedule and the information and disclosures contained in this Disclosure Schedule are intended only to qualify and limit the representations, warranties and covenants of the Company contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants. Inclusion of any item in this Disclosure Schedule shall not be deemed to constitute an admission of liability or other obligation, or an admission against interest, of the Company to any third party.

Schedule 1.1a

Tangible Assets

Lab Equipment Schedule

Desolder Station
Solder Stations w/ESD grounding mat
Assorted tools
Microscope
Oscilloscope
Logic Analyzer
Multimeter (voltage and current Probe)
Extrenal Power Supply
EEKs with cables
OrCad CIS machine with license

Bluetooth Devices

Fora P20
Fora W310
Fora G31
AnD 767PBT
AnD 321PB
Vtrust TD2202

Other Assets

Office Refrigerator
Microwave
Toaster oven
Misc Kitchen items
Wireless routers/hubs
HP Wireless color printer
Dell Black and White printer
3 Thinkpad Notebooks
2 Desktop PC
Variety of Monitors
Power Supply
Firewall
Conference room PC/Monitor

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Schedule 1.1 b

Seller Intellectual Property

Abstract / Description

APP # 61/516,479	Distributed System to classify human activity across a WAN
APP # 61/404,379	Fall detection system using a combination at accelerometer, audio input and magnetometer
APP # 61/516,480	Cloud based collaborative mobile emergency call initiation and handling distribution system
APP # 61/404,381	System to reduce acoustic noise based on multiple microphones, accelerometers and gyros
APP # 61/516,478	Single-button mobile telephone using server-based dynamic call routing
APP # 61/516,477	Multiple-application attachment mechanism for consumer electronic devices
APP 61/627,891	Distributed system to manage, control and communicate with short range sensors
APP # 61/630,064	System for attaching health sensors to mobile device

Trade Secrets, algorithms, cloud computing processes and services and inventions which constitutes product as defined in Annex B.

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Schedule 1.1c

Assumed Contracts

Freescale Software License Agreement dates June 15, 2011

Qualcomm Equipment Limited Use Agreement dated June 3, 2010

Qualcomm, Inc. Limited Use Tools Agreement dated October 10, 2010

Laird Technologies Statement of Work Antenna Design and Production dated August 10, 2011

Wistron Neweb Corp Manufacturing Agreement dated November 10, 2011

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

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Schedule 1.2 b

Excluded Assets

Contracts of the Seller

AT&T and BlueLibris Master Agreement and Amendment One
Comcast Buseinss Class Service Order Agreement

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Schedule 1.3

Assumption of Assumed Liabilities

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011 \$250,000

Laird Technologies State of Work – Antenna Design and Production August 1-, 2011 \$40,000

And as further defined in Schedul 2.2

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Schedule 1.4

Excluded Liabilities

Federal, State and Local taxes
Expenses related to distribution of Earmout

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Schedule 2.2

Purchase Price

Closing Payouts Schedule

Wire Transfer to Seller on date of Closing Schedule of Payments

Mvinix	\$ 3,736.53
Ram Fish	\$ 1,405.35
Tousley Designs	\$ 4,500.00
Cooley LLP	\$26,962.71
Matt Maibach	\$15,000.00
Soroush S. Dardashti	\$18,000.00
Henry Messenger	\$32,000.00
Evgenia Sheep	\$20,000.00
Linda Khachooni	\$11,666.67
Linda Khachooni	\$21,875.00
<u>Ram Fish</u>	<u>\$33,666.67</u>
<u>Total</u>	<u>\$188,812.93</u>

Payments to be made by Buyer on May 10, 2012 or sooner

Livnah and Assoc	\$14,962.50
Qualcomm	\$ 2,125.00
Lowenstein Sandler	\$24,541.00
Linda Khachooni	\$21,875.00
<u>Cooley LLP</u>	<u>\$ 9,500.00</u>
<u>Total</u>	<u>\$73,003.50</u>

Payments to be made by Buyer on June 10, 2012 or sooner

[communication to noteholders to be provided by seller]

S. Wilkinson	\$29,218.75
F. Claude	\$17,531.25
G. Wiener	\$22,775.00
G. Staikos	\$28,281.25
R. Hashin	\$26,406.25
<u>Edison Park</u>	<u>\$22,002.78</u>
<u>Total</u>	<u>\$146,215.28</u>

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Seller Disclosure Schedule

This constitutes the Disclosure Schedule to the Asset Purchase Agreement, dated April 12, 2012 (the "*Agreement*"), by and between **BlueLibris Inc.**, a Delaware corporation (the "*Company*") and Numera, Inc., a ~~DELAWARE~~ corporation ("*Purchaser*"). Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Agreement. Unless expressly set forth otherwise in this Disclosure Schedule, non-capitalized terms defined in the Agreement and used herein shall have the respective meanings ascribed to such terms in the Agreement.

This Disclosure Schedule provides certain information required by, and certain exceptions to and qualifications of, the representations, warranties and covenants of the Company set forth in the Agreement and has been arranged in parts and subparts corresponding to the numbered and lettered Sections and subsections contained in the Agreement. The representations, warranties and covenants applicable to the Company in Article III and V of the Agreement are subject to the exceptions and disclosures set forth in the corresponding part or subpart of this Disclosure Schedule, denoted by the caption "*Section*" preceding the corresponding Section and subsection numbering or lettering. The schedules specifically identified in Article I and II of the Agreement are denoted in this Disclosure Schedule by the caption "*Schedule*" preceding the corresponding Section and subsection numbering or lettering, and the representations, warranties and covenants applicable to the Company in the Agreement are also subject to these schedules. Any exceptions or disclosures explicitly cross-referenced in any part or subpart of this Disclosure Schedule by reference to another part or subpart of this Disclosure Schedule and any exception or disclosure set forth in any other part or subpart of this Disclosure Schedule to which it is reasonably and readily apparent such information is responsive as though fully set forth in such other sections (whether or not a cross-reference to such other section is specifically made).

No reference to or disclosure of any item or other matter in this Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material, has resulted in or would result in a Material Adverse Effect, is outside the ordinary course of the Company's business, or that such item or other matter is required to be referred to or disclosed in this Disclosure Schedule. Nor shall the reference to a particular material Contract (other than the Agreement) by itself be deemed to make the representations and warranties made by the Company in such material Contract to the other parties to such material Contract constitute representations or warranties of the Company to Parent under the Agreement. Moreover, no disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred.

This Disclosure Schedule and the information and disclosures contained in this Disclosure Schedule are intended only to qualify and limit the representations, warranties and covenants of the Company contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants. Inclusion of any item in this Disclosure Schedule shall not be deemed to constitute an admission of liability or other obligation, or an admission against interest, of the Company to any third party.

Section 3.1

Organization: Good Standing and Qualification

Seller has provided to Buyer correct and true copies of its Articles of Incorporation and Amended By-Laws.

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Section 3.4

Financial Statements

Seller has provided Buyer with unaudited Profit and Loss Statement and Balance Sheet for 2011 and for the two month period ending February 29, 2012.

Balance Sheet	<u>Dec 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
First Republic Bank	2,374.56
First Republic Savings	2,679.62
Petty Cash	<u>10.00</u>
Total Checking/Savings	5,064.18
Other Current Assets	
Rent Deposit	<u>1,000.00</u>
Total Other Current Assets	<u>1,000.00</u>
Total Current Assets	<u>6,064.18</u>
TOTAL ASSETS	<u>6,064.18</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	<u>152,896.04</u>
Total Accounts Payable	152,896.04
Prepaid Sales	<u>250,000.00</u>
Total Other Current Liabilities	<u>250,000.00</u>
Total Current Liabilities	402,896.04
Long Term Liabilities	
Notes	<u>130,980.00</u>
Total Long Term Liabilities	<u>130,980.00</u>
Total Liabilities	533,876.04
Equity	
Capital Stock	7,243.00
Retained Earnings	-69,110.88
Net Income	<u>465,943.98</u>
Total Equity	<u>527,811.86</u>
TOTAL LIABILITIES & EQUITY	<u>6,064.18</u>

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P&L Calendar Year 2011

Ordinary Income/Expense	
Income	
Subscription Service	0.00
Total Income	<u>0.00</u>
Gross Profit	0.00
Expense	
Administration	8,766.05
Bank Service Charges	447.27
Dues and Subscriptions	756.00
Electronic Equipment Used	3,687.92
Equipment Rental	437.00
HR	2,193.85
Insurance	565.00
Libri Network Service	859.35
Licenses and Permits	800.00
Marketing	4,343.23
Payroll Expenses	214,014.65
Postage and Delivery	2,445.80
Professional Fees	62,718.50
R&D	93,789.16
Rent	31,980.00
Taxes	800.00
Technical Supplies General	3,250.63
Telephone	4,590.28
Travel & Ent	<u>29,445.43</u>
Total Expense	<u>465,890.12</u>
Net Ordinary Income	-465,890.12
Other Income/Expense	
Other Income	
Interest Income	<u>100.14</u>
Total Other Income	100.14
Other Expense	
Other Expenses	<u>154.00</u>
Total Other Expense	<u>154.00</u>
Net Other Income	<u>-53.86</u>
Net Income	<u><u>-465,943.98</u></u>

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P&L	<u>Jan - Feb 12</u>
Ordinary Income/Expense	
Expense	
Administration	610.24
Insurance	170.00
Payroll Expenses	191.01
R&D	7,156.62
Taxes	507.00
Telephone	144.96
Travel & Ent	<u>0.00</u>
Total Expense	<u>8,779.83</u>
Net Ordinary Income	-8,779.83
Other Income/Expense	
Other Expense	
Other Expenses	<u>27,000.00</u>
Total Other Expense	<u>27,000.00</u>
Net Other Income	<u>-27,000.00</u>
Net Income	<u><u>-35,779.83</u></u>

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Section 3.5

Title to and Sufficiency of the Assets

[Company has purchased the assets listed and can evidence it by personal credit card payments or the like and no asset has been eligible for depreciation they have been expensed]

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Section 3.6
Contracts

3.6 (a) (i)

Freescale Software License Agreement dates June 15, 2011

Qualcomm Equipment Limited Use Agreement dated June 3, 2010

Qualcomm, Inc. Limited Use Tools Agreement dated October 10, 2010

Laird Technologies Statement of Work Antenna Design and Production dated August 10, 2011

[Open Source third party software report has been provided]

3.6 (a) (ii)

(A)

BlueLibris Employee Confidential Information and Invention Assignment Agreement dated June 27, 2011 and Termination Certificate for Ram Fish

(B) [n/a no Affiliate]

(C) [n/a]

(D)

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

AT&T Master Agreement dated February 21, 2011 and Amendment One dated September 15, 2011

Wistron Neweb Corp Manufacturing Agreement dated November 10, 2011

3.6 (a) (iii)

3.6.(a) (iv) n/a

3.6 (a) (v) n/a

3.6 (a) (vi) n/a

3.6 (a) (vii) n/a

3.6 (a) (viii) n/a

3.6 (a) (ix)

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

3.6 (a) (x) n/a

3.6 (a) (xi)

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

3.6 (a) (xii)

Comcast Business Class Service Order Agreement dated January 31, 2011

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

AT&T Master Agreement dated February 21, 2011 and Amendment One dated September 15, 2011

Wistron Neweb Corp Manufacturing Agreement dated November 10, 2011

Laird Technologies Statement of Work- antenna Design and Production dated August 10, 2011

Section 3.8
Compliance with Law

No notice or communications received

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Section 3.7
Intellectual Property

3.7 (a)

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011
Wistron Neweb Corp Manufacturing Agreement dated November 10, 2011

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3.6 (b) None known

3.6 (c) Exception:

Valued Relationships, Inc. Sales and Subscription Agreement dated May 18, 2011

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**Section 3.9
Tax Matters**

3.9 (a) Franchise Tax Board, Delaware; Franchise Tax Board, California; IRS

Handwritten initials: B, AF