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TRADE

04/22/2014

SHEET

Electronic Version v1.1  
Stylesheet Version v1.2



ETAS ID: TM301939

103667164

SUBMISSION TYPE:

CORRECTIVE ASSIGNMENT

NATURE OF CONVEYANCE:

Corrective Assignment to correct the the name of the Assignee previously recorded on Reel 003954 Frame 0001. Assignor(s) hereby confirms the merger of Gatlin Holdings, LLC to Cengage Learning Acquisitions, Inc..

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Gatlin Holdings, LLC		07/16/2008	LIMITED LIABILITY COMPANY: TEXAS

RECEIVING PARTY DATA

Name:	Cengage Learning Acquisitions, Inc.
Street Address:	200 First Stamford Place
City:	Stamford
State/Country:	CONNECTICUT
Postal Code:	06902
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	3426230	WHERE THE WORLD COMES TO LEARN!

CORRESPONDENCE DATA

Fax Number: 2129969579  
*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*  
 Phone: 2129961287  
 Email: trademarks@montagulaw.com  
 Correspondent Name: Thomas Walsh  
 Address Line 1: 1120 Avenue of the Americas, 4th Fl  
 Address Line 4: New York, NEW YORK 10036

ATTORNEY DOCKET NUMBER:

CENGAGE

NAME OF SUBMITTER:

Thomas Walsh

SIGNATURE:

/ThomasWalsh/

DATE SIGNED:

04/18/2014

Total Attachments: 3

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CH \$40.00 3426230

MWD 4/22/14

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	MERGER		
EFFECTIVE DATE:	07/16/2008		
<b>CONVEYING PARTY DATA</b>			
Name	Formerly	Execution Date	Entity Type
Gatlin Holdings, LLC		07/16/2008	CORPORATION: TEXAS
<b>RECEIVING PARTY DATA</b>			
Name:	Cengage Learning Acquisition, Inc.		
Street Address:	200 First Stamford Place		
City:	Stamford		
State/Country:	CONNECTICUT		
Postal Code:	06902		
Entity Type:	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 1</b>			
Property Type	Number	Word Mark	
Serial Number:	77266292	WHERE THE WORLD COMES TO LEARN!	
<b>CORRESPONDENCE DATA</b>			
Fax Number:	(203)965-8509		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	203-965-8759		
Email:	eartha.hinds@cengage.com		
Correspondent Name:	Eartha Hinds		
Address Line 1:	200 First Stamford Place		
Address Line 4:	Stamford, CONNECTICUT 06902		
NAME OF SUBMITTER:	Eartha Hinds		
Signature:	/eh/		
Date:	03/17/2009		

OP \$40.00 77266292



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source=Gatlin Stock Purchase Agreement#page58.tif

**FINAL**

**STOCK PURCHASE AGREEMENT**

**by and among**

**CENGAGE LEARNING ACQUISITIONS, INC.  
as the Buyer**

**and**

**STEPHEN A. GATLIN**

**and**

**GATLIN HOLDINGS, LLC  
as the Sellers**

**for the acquisition of**

**GATLIN EDUCATION SERVICES, INC.,  
GATLIN LEARNING, INC.**

**and**

**GATLIN INTERNATIONAL LTD.  
the Companies**

**JULY 16, 2008**

STM 248272.15

**TRADEMARK  
REEL: 005266 FRAME: 0252**

## STOCK PURCHASE AGREEMENT

**STOCK PURCHASE AGREEMENT** (this "Agreement"), dated as of July 16, 2008, by and among **CENGAGE LEARNING ACQUISITIONS, INC.**, a Delaware corporation (the "Buyer"), **Stephen A. Gatlin** and **GATLIN HOLDINGS, LLC**, a Texas limited liability company ("Holdings" and together with Stephen A. Gatlin, the "Sellers"). The Buyer and the Sellers are sometimes referred to herein each as a "Party" and collectively as the "Parties".

WHEREAS, Gatlin Education Services, Inc., a Texas corporation ("GES"), Gatlin Learning, Inc., a Texas corporation ("GL") and Gatlin International Ltd., a company organized under the laws of the United Kingdom ("GI", and together with GES and GL, the "Companies") provide (i) internet-based education courses and certificate programs through (a) colleges, universities and other education providers and (b) self-study programs, (ii) internet-based training to colleges, universities and other education providers and (iii) tuition financing for students engaging in Company-provided courses and programs (the "Business");

WHEREAS, the Sellers in the aggregate own beneficially and of record all of the issued and outstanding capital stock of GES and GL (the "Company Stock") and all of the issued and outstanding shares of GI (together with the Company Stock, the "Shares"); and

WHEREAS, the Sellers desire to sell to Buyer all of the Shares and Buyer desires to acquire all of the Shares, upon the terms, in the manner and subject to the conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows (capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them as set forth on Annex I hereto):

### ARTICLE I. SALE AND PURCHASE OF THE SHARES.

1.1 Transfer of the Shares. Upon the terms and subject to the conditions hereof, at the Closing, Buyer agrees to purchase and accept delivery of, and each Seller agrees to sell, assign, transfer and deliver to Buyer, all of the Shares free and clear of all options, phantom or synthetic equity rights, warrants, pledges, security interests, liens, mortgages, claims, debts, charges, voting agreements, voting trusts or other encumbrances or restrictions on transfer of any kind whatsoever (collectively, the "Encumbrances").

1.2 Purchase Price. Prior to the adjustment in Section 8.8, the "Purchase Price" shall equal Thirty Eight Million Five Hundred Thousand United States Dollars (U.S. \$38,500,000). Upon the terms and subject to the conditions hereof, and in consideration of the Sellers' sale, assignment, transfer and delivery of the Shares to Buyer, at the Closing, Buyer shall deliver the Purchase Price via wire transfer of immediately available funds to such accounts as designated by the Sellers in writing at least three (3) days prior to the Closing (the "Wire Direction Letter") as follows:

STM 248272.15

(a) Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) (the "Escrow Amount") to the Escrow Agent;

(b) the Estimated Indebtedness Payoff Amount to the parties and in the amounts set forth in the Indebtedness Certificate;

(c) on behalf of the Sellers, the Sellers' Transaction Expenses to the parties and in the amounts set forth in the Wire Direction Letter;

(d) on behalf of Stephen A. Gatlin, \$21,532, will be withheld by Buyer as the Apartment Lease Holdback to fund all amounts payable by GES (including but not limited to rent, utilities and cable) under that certain Apartment Lease Contract, dated as of October 29, 2007, by and between GES and Sundance West Apartments (the "Apartment Lease");

(e) on behalf of Stephen A. Gatlin, \$79,000, will be withheld by Buyer as the Academic eXplorer Holdback to fund all amounts payable by GES under that certain Participation Agreement, dated as of June 3, 2008, between B2 Technology and Consulting Services, Inc., Academic eXplorer, LLC and GES (the "Academic eXplorer Agreement"); and

(f) the balance of the Purchase Price, after giving effect to the payments and holdbacks set forth in Sections 1.2(a), (b), (c), (d) and (e) (the "Closing Payment"), shall be paid to the Sellers as directed in the Wire Direction Letter. Exhibit A shall also set forth the allocation of the Purchase Price among the Companies based upon the value of each Company.

1.3 Intentionally Omitted.

1.4 Estimated Indebtedness Payoff Amount. At least two (2) business days prior to the Closing, the Sellers shall deliver to Buyer a certificate (the "Indebtedness Certificate") setting forth the Sellers' good faith estimate of (a) the aggregate indebtedness for borrowed money of the Companies as of the Closing (including all interest due and owing and all transaction fees associated with such Indebtedness), (b) payables of the Companies that are outstanding more than ninety (90) days as of the Closing (including without limitation amounts owed to legal counsel), in each case in such detail as is reasonably required by Buyer, and (c) any costs, fees or expenses incurred by the Companies (or which the Companies have an obligation to pay) in connection with providing compensation or fees (whether by bonus, severance or otherwise) to employees or consultants which arise as a result of the consummation of the transactions contemplated by this Agreement (the "Estimated Indebtedness Payoff Amount"). The Sellers and Buyer agree that the aggregate Closing Payment due by Buyer to the Sellers shall be reduced on a dollar for dollar basis by the amount of the Estimated Indebtedness Payoff Amount. Buyer agrees that it will make or cause to be made the payments detailed in the Indebtedness Certificate at the Closing or promptly thereafter as and when such payments are properly due and owing (subject to normal payroll practices and withholding, if applicable).

1.5 Closing. The closing of the sale and purchase of the Shares contemplated hereby (the "Closing") shall take place at a time and on a date to be specified by the parties which shall be no later than three (3) business days after satisfaction or waiver of each of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the

fulfillment or waiver of those conditions), unless another time or date is agreed to in writing by the parties hereto (the date upon which the Closing actually takes place being referred to herein as the "Closing Date"). The Closing will be held at the offices of Edwards Angell Palmer & Dodge LLP, 301 Tresser Boulevard, Stamford, Connecticut 06901 unless another place is agreed to in writing by the parties hereto, or remotely via the exchange of documents and signatures. The Closing shall be deemed to occur at 12:01 a.m. on the Closing Date (the "Effective Time").

## ARTICLE II. REPRESENTATIONS AND WARRANTIES OF THE SELLERS RELATING TO THE COMPANIES

The Sellers, jointly and severally, represent and warrant to Buyer, as of the date hereof (except as to any representation or warranty which specifically relates to another date), as follows:

### 2.1 Due Organization and Qualification of the Companies.

(a) Each of GES and GL is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and has the corporate power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now conducted. Each of GES and GL is qualified to transact business and is in good standing in each jurisdiction in which the nature of its business or location of its property requires such qualification. Schedule 2.1(a) separately sets forth the names of all of the states or other jurisdictions where each of GES and GL is qualified to transact business. Except as set forth on Schedule 2.1(a), neither GES nor GL files, and is not required to file, any franchise, income or other tax returns in any other jurisdiction based upon the ownership or use of property therein or the derivation of income therefrom. Neither GES nor GL owns or leases property in any jurisdiction other than its respective jurisdiction of formation and the jurisdictions set forth on Schedule 2.1(a). Except as set forth on Schedule 2.1(a), neither GES nor GL conducts or has conducted its business by or through any division or affiliate or under any fictitious, assumed or other name other than the name "Gatlin Education" or "Gatlin Learning" respectively.

(b) GI is a corporation duly incorporated, validly existing and in good standing under the laws of the United Kingdom, and has the corporate power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now conducted. GI is qualified to transact business and is in good standing in each jurisdiction in which the nature of its business or location of its property requires such qualification. Schedule 2.1(b) separately sets forth the names of all of the jurisdictions where GI is qualified to transact business. Except as set forth on Schedule 2.1(b), GI does not file, and is not required to file, any franchise, income or other tax returns in any other jurisdiction based upon the ownership or use of property therein or the derivation of income therefrom. GI does not own or lease property in any jurisdiction other than its jurisdiction of formation and the jurisdictions set forth on Schedule 2.1(b). Except as set forth on Schedule 2.1(b), GI does not and has not conducted its business by or through any division or affiliate or under any fictitious, assumed or other name other than the name "Gatlin International".

### 2.2 Capitalization.



(a) Authorized Shares. GES is authorized to issue 1,000,000 shares of capital stock, par value \$1.00 per share, of which 1,800 shares are outstanding. GL is authorized to issue 10,000 shares of capital stock, no par value per share, of which 1,000 shares are outstanding. GI has an authorized share capital of 1,000 ordinary shares, of which 1,000 are issued and outstanding. No other capital stock or share capital of any Company is authorized or outstanding. Immediately following the Closing, Buyer will own all of the outstanding capital stock of the Companies. All of the Shares have been duly authorized, are validly issued, fully paid, nonassessable and have not been issued in violation of any federal, state or national securities laws. The Sellers own all of the Shares in the amounts set forth opposite their names on Schedule 2.2(a).

(b) Subsidiaries. No Company has any subsidiaries or other equity interest in any other entity or any interest in any joint venture.

2.3 Convertible Shares. There are not any securities or other equity interests in any Company issued or outstanding or any subscriptions, options, warrants, calls, rights, convertible securities or other agreements or commitments of any character obligating any Company to issue, transfer, sell, redeem or otherwise acquire any of its securities or other equity interests. The consummation of the transactions contemplated hereby will convey to Buyer good and valid title to the Shares, free and clear of all Encumbrances, and upon consummation of the transactions contemplated hereby no person or entity (a "Person"), other than Buyer, shall own any security of any Company or have any right to acquire any security of any Company.

2.4 Authority to Execute and Perform Agreements. Each of the Companies has the full legal right and company power and authority required to enter into, execute and deliver this Agreement and the agreements contemplated hereby (collectively, the "Transaction Documents") to which it is a party and to perform fully its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents by the Companies and the consummation by the Companies of the transactions contemplated thereby have been duly and validly authorized by all necessary company action. The Transaction Documents to which any Company is party have all been duly executed and delivered and are the valid and binding obligations of such Company enforceable against it in accordance with their terms, except as may be limited by bankruptcy, moratorium, insolvency or other similar laws generally affecting the enforcement of creditors' rights. No approval or consent of any Governmental or Regulatory Authority is required or necessary to be obtained by any Company in connection with the execution or delivery of this Agreement or for the full performance of their obligations set forth in this Agreement.

2.5 Governing Documents; Stock Records. The copies of the Certificate of Incorporation of GES and the Certificate of Formation of GL (each certified by the Secretary of State of Texas) and bylaws (certified by the Secretary of GES and GL) of GES and GL and all amendments thereto which have been delivered to Buyer are true, correct and complete. The copies of the Memorandum of Association, Articles of Association and Certificate of Incorporation of GI (certified by the Secretary of GI) and all amendments thereto which have been delivered to Buyer are true, correct and complete. The minute books of the Companies contain true and complete records of all meetings and consents in lieu of meetings of the Boards of Directors (and any committees thereof) of each of GES and GL and the Board of Directors (and any committee thereof) of GI since the date of their respective formations and accurately reflect all transactions referred to in such minutes and consents in lieu of

meeting. The stock books of GES and GL and the register of members of GI are true and complete in all material respects.

## 2.6 Financial Statements.

(a) Sellers have provided to Buyer true, correct and complete copies of the financial information of the Companies set forth on Schedule 2.6(a) including: (i) the unaudited balance sheets and profit and loss statements of GES and GL for the periods ending December 31, 2007, December 31, 2006 and December 31, 2005, and (ii) the consolidated unaudited financial statements prepared internally by GES and GL for the five (5) month period ending May 31, 2008 (the "U.S. Most Recent Financial Statements"), including, without limitation, the balance sheets and statements of income for the periods then ending, including related notes, if any ((i) and (ii) collectively, the "U.S. Financial Statements"). Such U.S. Financial Statements were prepared and maintained in a consistent manner and fairly present the financial condition of GES and GL as of the dates thereof and the results of operations of GES and GL for the periods indicated therein. Sellers have provided to Buyer true, correct and complete copies of (i) the unaudited balance sheets and profit and loss statements of GI for the periods ending December 31, 2007 and December 31, 2006, and (ii) the 2008 cash book statements of GI for through May 31, 2008 (the "UK Most Recent Financial Statements" and together with the U.S. Most Recent Financial Statements, the "Most Recent Financial Statements ((i) and (ii) collectively, the "UK Financial Statements" and together with the U.S. Financial Statements, the "Financial Statements"). Such UK Financial Statements were prepared and maintained in a consistent manner and fairly present the financial condition of GI as of the dates thereof and the results of operations of GI for the periods indicated therein.

(b) Schedule 2.6(b) fairly and accurately summarizes the accounting principles used by the Companies in the preparation of the Financial Statements, including, without limitation, those principles and policies related to sales and revenue recognition, accounts receivable, bad debt reserves, depreciation, capital expenses and liabilities.

2.7 No Material Adverse Change. Since December 31, 2007, there has not been any change or effect that, individually or in the aggregate, has been or could be reasonably expected to be materially adverse to the business, assets (including intangible assets), condition (financial or otherwise), prospects or results of operations of any Company, whether or not covered by insurance (a "Material Adverse Change").

## 2.8 Tax Matters.

(a) Except as set forth on Schedule 2.8(a), each of GES and GL has filed or caused to be filed on a timely basis all Tax Returns required to be filed by it and has paid all Taxes due and payable with respect to the periods covered by such Tax Returns (whether or not reflected thereon). All Tax Returns filed by or on behalf of each of GES and GL are complete and correct in all material respects and were prepared in substantial compliance with all Legal Requirements. No penalties or other charges are, or will become, due with respect to the late filing of any Tax Return, and neither GES nor GL currently is the beneficiary of any extension of time within which to file any Tax Return. There are no Encumbrances for Taxes (other than for Taxes not yet due and payable) on any of the properties or assets, real, personal or mixed, tangible or intangible, of either GES or GL. No deficiency in Taxes of

either GES or GL for any period has been asserted by any taxing authority which remains unpaid at the date hereof. There is no action, suit, proceeding, audit, investigation or claim pending or, to the knowledge of the Sellers, threatened in respect of any Taxes for which either GES and GL is or may become liable, nor has any deficiency or claim for any such Taxes been proposed, asserted or, to the knowledge of the Sellers, threatened. No written inquiries or notices have been received by GES or GL from a taxing authority with respect to possible claims for Taxes imposed on GES or GL which have not been resolved prior to the date hereof, and no Seller has any reason to believe that such an inquiry or notice is pending or threatened, and there is no basis for any additional claims or assessments for Taxes. Other than as set forth on Schedule 2.8(a), there are no assessments relating to GES or GL's Tax Returns pending or, to the knowledge of Sellers, threatened. No claim has ever been made by a taxing authority in a jurisdiction in which GES or GL does not file Tax Returns that GES or GL is or may be subject to taxation in that jurisdiction. Each of GES and GL has made available to the Buyer accurate and complete copies of the federal and state income (or franchise) Tax Returns filed by GES and GL for the past five years. Except as set forth on Schedule 2.8(a), each of GES and GL is not, and has never been, the common parent or a member of any affiliated group of corporations filing a consolidated federal income Tax Return, or a combined, consolidated, unitary or other affiliated group Tax Return for state, local or foreign Tax purposes, and is not a party to any Tax sharing agreement, and is not otherwise liable for the Taxes of any third party.

(b) Except as set forth on Schedule 2.8(b) hereto, the accrual for Taxes reflected in the U.S. Financial Statements accurately reflects the total amount of all unpaid Taxes, whether or not disputed and whether or not presently due and payable, of GES and GL as of the close of the periods covered by the U.S. Financial Statements. Adequate accruals and reserves have been made in the U.S. Financial Statements and the books and records of GES and GL for the payment of all unpaid federal, state, local and other Taxes of GES and GL for all periods through the respective dates thereof and through the Closing Date, whether or not yet due and payable and whether or not disputed by GES and GL, and, to the knowledge of GES, GL and the Sellers, nothing has occurred subsequent to the dates of such Financial Statements or such accruals or reserves in such books and records which make such accruals and reserves reasonably likely to be inadequate.

(c) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment or collection of any Taxes or deficiencies against GES or GL, and no power of attorney granted by GES or GL with respect to any Taxes is currently in force.

(d) Each of GES and GL is in compliance, and at all times has been in compliance, with all Legal Requirements relating to the withholding of Taxes and has timely collected or withheld and paid over to the proper Governmental or Regulatory Authority all amounts required to be so collected or withheld and paid over for all periods up to (but not including) the Closing Date under all Legal Requirements to the extent such amounts are required to be paid before such date.

(e) No Company has participated in any reportable transactions within the meaning of Treasury Regulation Sections 1.6011-4(b)(1) and 1.6011-4(c)(3) and has complied with the disclosure requirements of Section 6011 of the Code and Treasury Regulations promulgated thereunder.

(f) Each of GES and GL will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state or local Tax law) executed on or prior to the Closing Date;

(iii) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state or local Tax law);

(iv) installment sale or open transaction disposition made on or prior to the Closing Date; or

(v) prepaid amount received on or prior to the Closing Date.

(g) Except as set forth on Schedule 2.8(g), neither GES nor GL has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(h) GES and GL do not have net operating losses or other tax attributes presently subject to limitation under Sections 382, 383 or 384 of the Code, or the federal consolidated return regulations. GES and GL have not made or agreed to make any adjustment under Section 481(a) of the Code (or any corresponding provision of state, local or foreign Tax Law) by reason of a change in accounting method or otherwise). GES has made an election under Section 1362 of the Code to be treated as an S corporation for federal income tax purposes effective January 1, 2006, and has been treated as such for each taxable year since the effective date of the election. There are no elections similar to the election under Section 1362 in any other jurisdiction in which GES is subject to state taxation.

(i) GES and GL do not own, directly or indirectly, any interests in an entity that has been or would be treated as a "passive foreign investment company" within the meaning of Section 1297 of the Code or as a "controlled foreign corporation" within the meaning of Section 957 of the Code. The Company is not and has never been a "personal holding company" within the meaning of Section 542 of the Code.

(j) Except as set forth on Schedule 2.8(j), GI has filed or caused to be filed on a timely basis all Tax Returns required to be filed by it and has paid all Taxes due and payable with respect to the periods covered by such Tax Returns (whether or not reflected thereon). All Tax Returns filed by or on behalf of GI are complete and correct in all material respects and were prepared in

accordance with the applicable law. No penalties or other charges are, or will become, due with respect to the late filing of any Tax Return. There are no Encumbrances for Taxes (other than for Taxes not yet due and payable) on any of the properties or assets, real, personal or mixed, tangible or intangible, of GI. No deficiency in Taxes of GI for any period has been asserted by any taxing authority which remains unpaid at the date hereof. There is no action, suit, proceeding, audit, investigation or claim pending or, to the knowledge of the Sellers, threatened in respect of any Taxes for which GI is or may become liable, nor has any deficiency or claim for any such Taxes been proposed, asserted or, to the knowledge of the Sellers, threatened. No written inquiries or notices have been received by GI from a taxing authority with respect to possible claims for Taxes imposed on GI which have not been resolved prior to the date hereof, and Seller has no reason to believe that such an inquiry or notice is pending or threatened, and there is no basis for any additional claims or assessments for Taxes. There are no assessments relating to GI's Tax Returns pending or, to the knowledge of Sellers, threatened. No claim has ever been made by a taxing authority in a jurisdiction in which GI does not file Tax Returns that GI is or may be subject to taxation in that jurisdiction. GI is not bound by or party to any Tax indemnity, Tax sharing or any Tax allocation agreement in respect of which claims against GI would not be time barred.

(k) Except as set forth on Schedule 2.8(k), the accrual for Taxes in the UK Financial Statements accurately reflects the total amount of all unpaid Taxes, whether or not disputed and whether or not presently due and payable, of GI as of the close of the periods covered by the UK Financial Statements. Full provision has been made in the UK Financial Statements of GI for all deferred Taxes. Adequate accruals and reserves have been made in the UK Financial Statements and the books and records of GI for the payment of all unpaid Taxes of GI for all periods through the relevant dates thereof and through the Closing Date, whether or not yet due and payable and whether or not disputed by GI, and, to the knowledge of the Sellers, nothing has occurred subsequent to the dates of such UK Financial Statements or such accruals or reserves in such books and records which make such accruals and reserves reasonably likely to be inadequate.

(l) No transaction in respect of which any consent or clearance was required or sought from any taxing authority has been entered into or carried out by GI without such consent or clearance having first been properly obtained and all information supplied to any taxing authority or other appropriate authority in connection with any such consent or clearance fully and accurately disclosed all facts and circumstances material to the giving of such consent or clearance. Any transaction for which such consent or clearance was obtained has been carried out only in accordance with the terms of such consent or clearance and the application on which the consent or clearance was based and at a time when such consent or clearance was valid and effective. No facts or circumstances have arisen since any such consent or clearance was obtained which would cause the consent or clearance to become invalid or ineffective.

(m) GI has at all times been resident in the UK for corporation Tax purposes and has not at any time been treated for the purposes of any double taxation arrangements having effect by virtue of section 249 of the Finance Act 1994 and section 788 Taxes Act 1988 or for any other Tax purpose as resident in any other jurisdiction. GI does not have, nor has it ever had, a branch, agency, controlled foreign company or permanent establishment outside the United Kingdom. GI is not, and never has been, a dual resident company within the meaning of section 404(4) Taxes Act 1988.

(n) Other than as set forth on Schedule 2.8(n), all transactions entered into

by GI have been and are on fully arm's length terms. There are no circumstances which could cause any taxing authority to make any adjustment for any Tax purposes, or require any such adjustment to be made, to the terms on which any such transaction is treated as taking place, and no such adjustment has been made, threatened or attempted in fact. GI is not treated as thinly capitalized for any Tax purpose. There are no circumstances which could cause any taxing authority to deny a corporation tax deduction for any interest paid by GI, and no such deduction has been denied in fact.

(o) All payments by GI to any person which should have been made under deduction of any Taxes have been so made and GI has accounted to the relevant taxing authority for all Taxes so deducted and GI has (if required by law to do so) provided certificates of deduction in the required form to the recipient of such payments.

(p) GI has no trading losses and no capital losses available to be carried forward at the date of this Agreement.

(q) GI has not at any time entered into or been a party to a transaction or series of transactions containing steps inserted without any commercial or business purpose apart from the reduction, avoidance or deferral of a Tax liability. GI is not and has not been party to any arrangements or transactions which involve or include any notifiable arrangement as defined in section 306 Finance Act 2004 and the associated Tax Avoidance Schemes (Prescribed Descriptions of Arrangements) Regulations 2004 nor has it nor will it become liable to notify any taxing authority by virtue of Section 58A and Schedule 11A VATA (disclosure of avoidance schemes) and the associated Value Added Tax (Disclosure of Avoidance Schemes) Regulations 2004 and Value Added Tax (Disclosure of Avoidance Schemes) Order 2004.

(r) GI is a taxable person and is duly registered for the purposes of VAT with quarterly prescribed accounting periods and no such registration has been subject to any conditions imposed by or agreed with any taxing authority and GI is not (nor are there any circumstances by virtue of which it may become) under a duty to make monthly payments on account under the Value Added Tax (Payments on Account) Order 1993. GI has complied with all statutory provisions, rules, regulations, orders and directions in respect of VAT, promptly submitted accurate returns, maintained full and accurate VAT records and GI has not been subject to any interest, forfeiture, surcharge or penalty, nor been given any notice under sections 59, 59A or 64 VATA, nor been given a warning within section 76(2) VATA, nor been required to give security under paragraph 4 of Schedule 11 VATA. GI has not at any time made an election to waive exemption in relation to any land or interest in land. All VAT has been duly paid or provision has been made in the UK Financial Statements for all amounts of VAT for which GI is liable. All supplies made by GI are taxable supplies and GI has not, nor will it be denied, full credit for all input tax by reason of the operation of sections 25 and 26 VATA and regulations made thereunder or for any other reasons and no VAT paid or payable by GI is not input tax as defined in section 24 VATA and regulations made thereunder. GI is not, nor has it ever been, for VAT purposes a member of any group of companies and no act or transaction has been affected in consequence whereof GI is or may be held liable for any VAT arising from supplies made by another company. GI does not own, nor has it at any time owned, any assets which are capital items subject to the capital goods scheme under Part XV of the VAT Regulations 1995. GI has not made any claim for bad debt relief under section 36 VATA and there are no existing circumstances by virtue of which any refund of VAT obtained or claimed may be required to be repaid.

(s) GI has fully complied with all its obligations in respect of stamp duty, stamp duty land tax and stamp duty reserve tax and all documents which are in the possession, or under the control, of GI, or in the enforcement of which GI may be interested, or to which GI is a party, have been properly stamped to the extent that they attract stamp duty in the UK or elsewhere. GI has not incurred any liability to, or been accountable for, any stamp duty reserve tax and there has been no agreement within section 87(1) of the Finance Act 1986 which could lead to GI incurring such a liability or becoming so accountable.

#### 2.9 Compliance with Laws; Permits.

(a) Each of the Companies has complied with all Legal Requirements applicable to it or its businesses. No Company has made any illegal payment to officers or employees of any Governmental or Regulatory Authority, or made any payment to customers for the sharing of fees or to customers or suppliers for rebating of charges, or engaged in any other reciprocal practices that violate any Legal Requirements, or made any illegal consideration to purchasing agents or other representatives of customers in respect of sales made or to be made by any Company. No Company is aware of facts that (with or without notice or lapse of time, or both) could result in any Company being in violation of any Legal Requirement.

(b) Except as set forth on Schedule 2.9(b), no license, permit, order or approval of any Government or Regulatory Authority (collectively the "Permits") is necessary for the conduct of the business of the Companies as it has been, or is presently, conducted. All Permits of the Companies are set forth on Schedule 2.9(b) and are in full force and effect, no violations are or have been recorded in respect of any Permit and no proceeding is pending or, to the knowledge of Sellers, threatened, to revoke or limit any Permit and all such Permits shall continue in full force and effect following the consummation of the transactions contemplated by this Agreement.

(c) Each Company is currently conducting the Business in accordance with applicable Legal Requirements governing privacy, security and confidentiality, including, without limitation, the Gramm-Leach-Bliley Act of 1999, as amended, and the UK Data Protection Act of 1998 and has conducted the Business in compliance with such Legal Requirements since the same first became applicable to it.

(d) Each Company has at all times complied and is currently in compliance with any applicable privacy policies such Company has established. Attached as Schedule 2.9(d) is the current form(s) of the Companies' privacy policies. The current privacy policies of the Companies are in compliance with all applicable Legal Requirements.

2.10 No Breach. Except as set forth on Schedule 2.10, each Company's execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated thereby will not violate, conflict with or otherwise result in the breach or violation of any of the terms and conditions of, result in a modification of the effect of or constitute (or with notice or lapse of time or both would constitute) a default under (i) the Certificate of Incorporation of GES, the Certificate of Formation of GL, the bylaws of GES or GL, or the Memorandum of Association, Articles of Association and Certificate of Incorporation of GI; (ii) any contract or agreement to which any Company is a party or by or to which it or any of its assets or properties are bound or subject; (iii) any

Legal Requirement against, or binding upon or applicable to any Company or upon the securities, properties or business of any Company; or (iv) any Permit of any Company.

2.11 Litigation. Except as set forth on Schedule 2.11, there are no outstanding orders, judgments, injunctions, awards or decrees of any Governmental or Regulatory Authority against or involving any Company. Except as set forth on Schedule 2.11, no Company is now, nor has it been at any times during the three (3) years preceding the date hereof, a party to or threatened with any litigation or judicial, administrative or arbitration proceeding. Except as set forth on Schedule 2.11, there is no dispute with any Person under contract with any Company.

2.12 Employment Matters.

(a) Schedule 2.12(a) separately sets forth all of the full time and part time employees of the Companies (each, an "Employee" and collectively, the "Employees"), including for each such employee: name, job title, work location, current compensation, all wage or salary increases received since December 31, 2007, employee's date of hire, commission arrangements and fringe benefits, including but not limited to any relocation benefits. To the knowledge of Sellers, no Employee is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality or non-competition agreement, that in any way adversely affects or restricts the performance of such Employee's duties. To the knowledge of the Sellers, no key or group of Employees intends to terminate his, her or their employment with the Companies. Each Employee has executed a nondisclosure agreement for the benefit of the applicable Company and such Company is the owner of all rights in and to all intellectual property created by each Employee or former Employee in performing services for the Companies. All of the agreements referenced in the preceding sentence will continue to be legal, valid, binding and enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing. Each Employee of GES and GL is (i) a United States citizen or lawful permanent resident, (ii) a legal immigrant with a valid alien registration receipt card (form I-551) as of the date hereof, (iii) a nonimmigrant possessing a current valid form I-94 as of the date hereof or (iv) a foreign temporary worker possessing a current valid H-1B visa as of the date hereof. Each Employee of GI is legally entitled to work for GI on a permanent basis.

(b) Each Company has complied with all applicable Legal Requirements relating to the employment of labor, including those relating to wages, hours, collective bargaining and the payment and withholding of Taxes, and has withheld all amounts required by law or agreement to be withheld from the wages or salaries of its employees and is not liable for any arrears of wages or other taxes or penalties for failure to comply with any of the foregoing. GES and GL have properly classified its employees pursuant to the Fair Labor Standards Act (29 U.S.C. 201, et seq.) ("FLSA"). There are no controversies pending or, or to the knowledge of the Sellers, threatened between any Company, on the one hand, and any of its employees (or former employees). Without limiting the foregoing, GI is not engaged or involved in any actual, pending or threatened legal proceedings (whether arising under contract, common law, statute or in equity) with its Employees. No persons working or who have worked for GI under contracts of employment or contracts for services in the last three years have issued or threatened to issue any proceedings which actual or threatened proceedings remain unresolved at the date of this Agreement. In the twelve months preceding this Agreement, there has been no investigation by any body responsible for investigating or enforcing matters relating to sex, race or disability discrimination, and no prohibition notice has been served in connection with the conduct of GI by any



body responsible for health and safety. No Company is a party to any collective bargaining agreement, nor have any of them experienced any actual or threatened strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. Sellers have no knowledge of any organizational effort made or threatened (including, without limitation, the filing of a petition for certification) either currently or within the past two years, by or on behalf of any labor union with respect to Employees.

(c) Schedule 2.12(c) contains a true and complete list of any and all employment, change in control, severance, termination and other similar employment agreements or arrangements, whether written or oral, between any Company and any Person other than at-will arrangements (each, an "Employment Agreement").

(d) Schedule 2.12(d) sets forth, as of June 1, 2008, the amount and terms of each outstanding loan made by a Company to an employee of a Company (the "Employee Loans"). There are no outstanding loans to any employee of any Company other than the Employee Loans.

(e) No Company has caused or will cause any "employment loss" (as that term is defined or used in the Worker Adjustment Retraining Notification Act) at any time from the date that is ninety (90) days immediately preceding the execution of this Agreement and continuing through the Closing Date.

(f) In respect of GI:

(i) None of its Employees are on secondment or maternity leave or absent on grounds of disability or other long term leave of absence;

(ii) There are no contractual sick pay provisions applicable to any of its Employees and there are no enhanced redundancy payments or other severance schemes or practices conferring any entitlements on its Employees;

(iii) There are no agreements or other arrangements between it and any trade union or any other representative of any of its Employees for collective bargaining purposes in respect of any of its Employees;

(iv) No agreement has been reached with any of its Employees, or any trade union or other body representing the Employees that will result at some future time in an increase in the level of salary or benefits payable to any or all of the Employees;

(v) Except as set forth on Schedule 2.12(f)(v), none of its Employees has received notice terminating its employment;

(vi) The contract of employment of each of its Employees may be terminated without damages or compensation (other than (x) payable by statute and (y) severance as provided by contract) by the giving of not more than 13 weeks' notice;

(vii) save as disclosed, there are no schemes in operation for the benefit of its Employees for the payment of or contribution towards any pension or superannuation or other like benefits in relation to old age, retirement or death; and

(viii) all Income Tax deductible and payable under the PAYE system and all National Insurance contributions and other levies due in respect of its Employees in respect of their employment by it have been paid to taxing authority and any other appropriate authority.

2.13 Contractor Matters. Schedule 2.13 contains a complete and accurate listing of the following information for each independent contractor, consultant or freelancer (collectively, "Contractors") used by any Company at any point during the prior two (2) years: name (if an entity, including the name of the individuals at such entity who performed such services, if known), contact information, services performed, title (if any), work location, compensation, dates of use, term of agreement, commission arrangements and any non-cash compensation. To the knowledge of Sellers, no Contractor used by any Company is a party to, or is otherwise bound by, any agreement or arrangement, including any confidentiality or non-competition agreement, that in any way adversely affects or restricts the performance of such Contractor's duties for such Company. Except as set forth on Schedule 2.13, each Contractor, regardless of when retained, has executed a nondisclosure and assignment of rights agreement for the benefit of the Companies and the Companies are the owners of all rights in and to all intellectual property created by each Contractor in performing services for the Companies. To the knowledge of the Sellers, no current Contractor used by any Company intends to terminate his or her or its relationship with the Companies.

#### 2.14 Agreements.

(a) Schedule 2.14(a) sets forth as of the date of this Agreement all of the contracts and other agreements, whether written or oral, to which any Company is a party or by which its properties are bound or subject including, without limitation: (i) contracts and other agreements with any current or former officer, director, employee, consultant, agent or shareholder; (ii) contracts and other agreements for the sale or license of products or other materials, supplies, equipment, merchandise or services where the value to the Companies is or may be equal to or greater than \$5,000; (iii) contracts and other agreements for the purchase or acquisition of materials, supplies, equipment, merchandise or services where the value to the Companies is or may be equal to or greater than \$5,000; (iv) software development contracts; (v) copyright licenses, royalty agreements or similar contracts; (vi) distributorship, representative, marketing, sales or advertising agreements where the value to the Companies is or may be equal to or greater than \$5,000; (vii) contracts and other agreements for the sale of any of the Companies' assets or properties other than in the ordinary course of business or for the grant to any Person of any preferential rights to purchase any of the Companies' assets or properties; (viii) voting trust agreements, shareholder or member agreements and joint venture agreements relating to the assets, properties or business of the Companies or by which either of the Companies or their assets or properties are bound or subject; (ix) contracts or other agreements under which any Company agrees to indemnify any party, to share Tax liability of any party, or to refrain from competing with any party; (x) any financing agreements; (xi) contracts and other agreements containing covenants of any Company (i) not to compete in any line of business or with any Person or (ii) not to contract with any Person in any geographical area or covenants of any other person not to compete with any Company in any line of business or in any geographical area; or (xii) any other material contract or other agreement, whether or

not made in the ordinary course of business.

(b) All of the contracts and other agreements required to be set forth on Schedule 2.14(a) and on other Schedules hereto have been delivered or made available to Buyer (or where a contract or other agreement is other than in writing, Schedule 2.14(a) contains a true, accurate and complete summary of the material terms of such contract or agreement) and are valid, subsisting agreements, in full force and effect and binding upon the parties thereto in accordance with their terms, and is not in default under any of them nor, to the knowledge of the Sellers, is any other party to any such contract or other agreement in default thereunder, nor does any condition exist which with notice or lapse of time or both would constitute a default thereunder. To the extent a contract on Schedule 2.14(a) is marked "Not Available", such contract contains substantially the same terms and conditions as those in the form of agreement that is Attachment 2.14(a). Except as separately identified on Schedule 2.14(b), no approval or consent of any Person is needed in order that the contracts or other agreements set forth on Schedule 2.14(a) and other Schedules hereto or otherwise binding upon any Company or their assets continue in full force and effect without breach following the consummation of the transactions contemplated by this Agreement.

2.15 Real Estate. Schedule 2.15 sets forth a list and summary description of all leases, subleases or other agreements under which any Company is lessor or lessee of any real property (collectively, "Leases"). Such Leases have been delivered or made available to Buyer and are valid, subsisting agreements, in full force and effect and binding upon the parties thereto in accordance with their terms and no Company has received any notice of any default thereunder. The Companies' leasehold interests are not subject to any lien or other Encumbrance and the Companies enjoy a right of quiet possession as against any lien or other Encumbrance on the property. No Seller owns, directly or indirectly, any interest in any real property, building or other structure used or occupied by any Company. No Company owns any real property, buildings or other structures. None of the buildings or structures on any real property leased pursuant to the Leases (such property, the "Leased Property") is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are, individually and in the aggregate, immaterial. All utility systems serving the Leased Property are adequate in all material respects for the Business as currently conducted. Each Leased Property has access for ingress from and egress to a public way that is adequate for the Business as currently conducted. There is no pending or, to the knowledge of the Sellers, threatened condemnation, eminent domain or similar proceeding with respect to any Leased Property.

2.16 Accounts Receivable. All accounts receivable of the Companies, whether reflected on the Financial Statements or subsequently created, have arisen from bona fide transactions in the ordinary course of business and are enforceable and represent valid obligations payable to the Companies. There is no contest, claim or right of set-off relating to the amount or validity of any accounts receivable other than refunds in the ordinary course of business as reflected on the Financial Statements. No Company has reason to believe that collection of accounts receivable will be materially different than what has historically been customary for the Business.

2.17 Tangible Property. All leases, conditional sale contracts, franchises or licenses pursuant to which any Company may hold or use any tangible property (collectively, the "Personal Property Leases") have been delivered or made available to Buyer and are valid, subsisting agreements, in full force and effect and binding upon the parties thereto in accordance with their terms and, there is

no default or event of default or event which with notice or lapse of time or both would constitute a default thereunder. Each item of tangible property of the Companies is set forth on Schedule 2.17(a) and is in good operating condition and repair, ordinary wear and tear excepted, and are adequate to conduct the operations of the Companies as currently conducted. Schedule 2.17(b) sets forth all Personal Property Leases involving annual payments in excess of \$5,000 relating to personal property used in the Business or to which any Company is a party or by which the properties or assets of any Company are bound.

## 2.18 Intangible Property.

(a) Schedule 2.18(a) sets forth all websites, patents, domain names, copyrights, trademarks, service marks and trade names, all applications for any of the foregoing, created or owned by the Companies. In addition Schedule 2.18(a) sets forth all intellectual property, including all databases and software other than off-the-shelf software, licensed to, owned by, or utilized by, any Company. Any item required to be set forth on Schedule 2.18(a) and any trade secrets, know-how, confidential information or other intellectual property of the Companies is collectively referred to as the "Company Intellectual Property." Schedule 2.18(a) identifies for each item listed whether such item is owned by any Company or, if not owned, what rights such Company has in or to such item. To the extent Schedule 2.18(a) identifies any patents or registered copyrights, trademarks, service marks or trade names, such schedule identifies for each such item its registration number, serial number or other identification, the applicable jurisdiction and the date of issuance or registration of each such item. The intellectual property identified on Schedule 2.18(a) constitutes all of the intellectual property used by the Companies. All of the patents, copyrights, trademarks, service marks, tradenames, and domain names used or held for use by the Companies are valid and enforceable. To the extent any Company Intellectual Property includes trade secrets, know-how or confidential information, such trade secrets, know-how or confidential information has been securely kept and properly documented such that (i) a person generally familiar with the area to which the trade secret, know-how or confidential information relates could practice such trade secret, know-how or confidential information and (ii) no Company will lose the right to use any trade secrets, know-how or confidential information should one or more employees of any Company are no longer be available to the Companies. No agreement with any customer of a Company conveys any ownership rights in any Company Intellectual Property.

(b) None of the Products or any of the Company Intellectual Property contains any libelous or obscene material, or injurious formula, or infringes any trade name, trademark, copyright, patent or any other proprietary right of any third party. The rights of the Companies in the Products and Company Intellectual Property are free and clear of any liens or other Encumbrances. No Company has notice of any adversely held patent, invention, copyright, trademark, service mark or trade name of any other Person or notice of any claim of any other Person relating to any of the Products or Company Intellectual Property, and the Sellers know of no basis for any such charge or claim. Except as to (i) school partners, students or customers of the Companies licensing Products in the ordinary course of business pursuant to valid agreements disclosed on Schedule 2.18(b) and (ii) vendors, resellers, contractors and developers whose possession is authorized under agreements with the Companies disclosed on Schedule 2.18(b), no Person has possession of, or any right to possess, any copies or use of the customer lists, data bases, source codes, object codes, systems documentation or other Company Intellectual Property. All software, databases and other copyrightable materials of the Companies have been licensed under the license agreements listed on Schedule 2.18(a) or prepared by the Companies'

employees or by the Companies' consultants pursuant to written work-made-for-hire or subject to assignment-of-rights agreements, such that the applicable Company is the sole owner of all of the copyrights therein. To the extent any Company Intellectual Property is licensed (as opposed to owned), the Companies have the right to use such intellectual property on a worldwide basis and such license is freely transferable and assignable.

(c) All of the Products, in the form existing on the Closing Date, perform substantially in accordance with the documentation and other written material used in connection with the Products and are free of material defects in programming and operation, contain all current revisions of such products and include all computer programs, materials, tapes, know-how, object and source codes, other written materials and processes related to such software. The Companies have provided to Buyer, or will provide to Buyer at Closing, complete and correct copies of all source code (including all commented versions to the extent the same exist) and user and technical documentation related to the Products.

(d) To the extent any passwords are used in the conduct of the Business, whether internally or by users of Products, the Companies have delivered to Buyer a written list of all such passwords, indicating for each such password any associated user identification and where and for what purpose such password is used. Such list of passwords will be accurate, true and complete.

(e) None of the Company Intellectual Property contains any virus, computer instructions, circuitry or other technological means intended to disrupt, damage or interfere with operation of applicable software.

(f) The Companies have delivered to Buyer written documentation evidencing the registration and licensing of each item of third party software used by the Companies. The Companies have a valid license for each copy of third-party software used by the Companies. Each item of third-party software used by the Companies (other than off-the-shelf software) has in effect associated maintenance or support arrangements. The Companies have provided Buyer with copy of each of such maintenance and support agreements. With respect to off-the-shelf software used by the Companies, the Companies have provided to Buyer or otherwise made available a list of all customer help lines or websites and, to the extent the same exist, copies of any maintenance or support agreements.

(g) Schedule 2.18(g) identifies the Internet Protocol address for each file transfer site utilized by the Companies.

(h) Schedule 2.18(h) identifies each software product used to author and compile all software used or owned by the Companies or which the Companies have a source code access license.

(i) Except as set forth on Schedule 2.18(i), no Company utilizes any "Open-Source Software" (as defined below) in conducting its business as currently conducted and as currently proposed to be conducted. "Open-Source Software" means software for which the human readable version (or source code) is available to the general public for use and/or modification from its original design free of charge or for a de minimus charge. The use of any Open-Source Software by the Companies as currently conducted and as currently proposed to be conducted does not obligate any

Company to (A) distribute or disclose in source code form any other software combined or distributed with such Open Source Software, or (B) license or otherwise make available on a royalty free basis any such other software that is combined or distributed with such Open-Source Software. No Open-Source Software used, or held for use, by the Companies in conducting their business as currently conducted and as currently proposed to be conducted is used under any license that (i) contains restrictions or constraints that conflict with the current or intended use of such Open-Source Software, or (ii) inhibits the ability to preserve the proprietary nature, whether in whole or in part, of any software created by or for use by the Companies in conducting their business as currently conducted and as currently proposed to be conducted.

2.19 Products. Schedule 2.19 sets forth a true and complete list of all products or services of each Company currently being developed, sold or offered for sale by any Company or third parties (the "Products") and the applicable Company is the copyright, trademark and/or patent proprietor of all such Products. In the ordinary course of business, the Companies have caused appropriate notices of copyright, trademark or patent to be included in all Products. The Companies have a clean and usable electronic master file for all content used in any Product, each of which master files is kept in a secure location that has been identified in writing to Buyer.

2.20 Customer and Supplier Lists.

(a) Attached to Schedule 2.20(a) is a list of each customer and supplier of each Company as of the date of this Agreement. The customer list accurately contains the name and address, contract expiration date and amount of revenues received during the fiscal years ended December 31, 2006 and December 31, 2007. No Company has licensed, sold or granted any rights to any Person to use any of such lists. The supplier list accurately contains the name and address, contract expiration date and amount of payments made during the fiscal year ended December 31, 2006 and December 31, 2007.

(b) There has been no indication that any customer or supplier of any Company intends to terminate its agreements with any Company, or otherwise modify its relationship with the Companies, or that the acquisition of the Shares by Buyer will materially and adversely affect the relationships of Buyer (as successor to the Business) with such customers or suppliers.

(c) The pricing policies and price lists of the Companies are set forth Schedule 2.20(c). In the past twelve months, no Company has made any change in its policies for the pricing of the Products other than in the ordinary course of business, and no Company has sold or marketed any of the Products at discounts other than as described on Schedule 2.20(c).

(d) Except as set forth on Schedule 2.20(d), no Company or any of its respective officers, directors, employees, consultants, agents and shareholders (or any of their family members) has any material financial interest in any competitor, customer or client of the Companies.

2.21 Title. The Companies own outright and have good and marketable title, or have a valid lease or license disclosed to Buyer hereunder, to all of their respective assets and properties, free and clear of any Encumbrance other than as disclosed on Schedule 2.21 or Permitted Liens. "Permitted Liens" means statutory liens for current Taxes or other governmental charges with respect to the assets of the Companies not yet due and payable or the amount or validity or which is being contested in good

faith by appropriate proceedings by the Companies and for which appropriate reserves have been established by the Companies in accordance with the past practice of the Companies consistently applied.

2.22 Accounts Payable and Indebtedness. All Indebtedness reflected in the Most Recent Financial Statements or which has arisen after the date of the Most Recent Financial Statements has arisen in the ordinary course of business and represents valid Indebtedness of the Companies. As used herein, the term "Indebtedness" means all items which, in accordance with past practice of the Companies consistently applied, would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date Indebtedness is to be determined.

2.23 Liabilities. No Company has any direct or indirect Indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute contingent or otherwise, including, without limitation, liabilities on account of taxes, other governmental charges or lawsuits brought which were not fully and adequately reflected in the Most Recent Financial Statements, except for liabilities incurred in the ordinary course of business since the date of the Most Recent Financial Statements.

2.24 Warranty Claims. There are, and since December 31, 2007, there have been, no claims against any Company alleging any defects in any Company's services or products, or alleging any failure of the products or services of any Company to meet applicable specifications, warranties or contractual commitments. The Companies' liability for breach of warranty is limited to repair or replacement of products and in certain circumstances the Company will refund the purchase price of a product. The Companies' liability for any breach of warranty or refunds for products manufactured or services provided for each of the past five years has not exceeded \$15,000.00 per year. No Company has any liability arising out of any injury to individuals or property as a result of the ownership, possession, or use of any product designed, manufactured, assembled, repaired, maintained, delivered, sold or installed, or services rendered, by or on behalf of any Company. No Company has sold any products or delivered any services that included a warranty for a period of longer than one (1) year.

2.25 Employee Benefit Plans.

(a) Schedule 2.25(a) contains a true and complete list of each "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA) and any other material plan, program, policy, practice, contract, agreement or other arrangement providing for severance, termination pay, deferred compensation, bonuses, performance awards, stock or stock-related awards, phantom stock, stock appreciation or other forms of incentive compensation, fringe benefits or other employee benefits or remuneration of any kind, whether written or unwritten or otherwise, funded or unfunded (each, an "Employee Benefit Plan"), which is or has been sponsored, maintained, contributed to or required to be contributed to, by any Company or any of their ERISA Affiliates or under which any Company has or could have any obligations (other than obligations to make current wage or salary payments or sales commissions terminable on notice of 30 days or less) or liabilities, actual or contingent, whether or not legally binding, in respect of, or which otherwise cover, any of the current or former officers, employees or independent contractors of any of the Companies or their dependents or beneficiaries (the items required to be disclosed on Schedule 2.12(c) and Schedule 2.25(a))

may be hereinafter individually referred to as a "Company Benefit Plan" and collectively referred to as the "Company Benefit Plans". Each Company Benefit Plan that is subject to Section 409A of the Code (each, a "Section 409A Plan") as of the Closing Date is indicated as such on Schedule 2.25(a). The Companies have delivered or made available to Buyer true and complete copies of all documents, as they may have been amended through the date hereof, embodying or relating to the Company Benefit Plans, including but not limited to Forms 5500 and plan valuations for 2006, 2007 and for the period ending June 30, 2008, plan documents, trust agreements, administrative services agreements, insurance contracts, most recent determination letters and other documents, as applicable, required under the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(b) Prior to the Closing Date, each Company shall have made all contributions required to be made to or with respect to each Company Benefit Plan as of the Closing Date and paid or accrued all liabilities on account of any Company Benefit Plan in existence on or prior to the Closing Date, including, without limitation, liabilities related to the Companies' vacation and other paid time off programs, unfunded liabilities, liability with respect to the administration or termination of any such plan, liability with respect to any retiree's, former employee's, consultant's or director's employment or service with the Companies, liability with respect to any individual receiving continuation of coverage benefits in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B and the regulations promulgated under any of them, as amended ("COBRA"), and State benefits continuation laws, and any accrued but unpaid claim, whether known or unknown as of the Closing, under any such plan.

(c) Each Company Benefit Plan has been established, maintained, administered and funded in accordance with its terms and with all provisions of ERISA (including rules and regulations thereunder), the Code and other applicable law. No Company or any "party in interest" or any "disqualified person" with respect to the Company Benefit Plans has engaged in a "prohibited transaction" within the meaning of Section 4975 of the Code or Section 406 of ERISA or engaged in a similar transaction with respect to any Company Benefit Plans.

(d) Each Company Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code is so qualified and has received a favorable determination letter from the Internal Revenue Service to the effect that the Company Benefit Plan satisfies the requirements of Section 401(a) of the Code and that its related trust is exempt from taxation under Section 501(a) of the Code and there are no facts or circumstances that could reasonably be expected to cause the loss of such qualification or the imposition of material liability, penalty or Tax under ERISA, the Code or other applicable laws (including the rules and regulations under any of them). No actions, investigations, suits or claims with respect to any Company Benefit Plan are pending or threatened, and there are no facts that reasonably would be expected to give rise to any such actions, suits or claims against any Company Benefit Plan, any fiduciary with respect to a Company Benefit Plan or the assets of a Company Benefit Plan (other than routine claims for benefits).

(e) No Company Benefit Plan is, and no Company or any entity that, together with any Company, would be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code ("ERISA Affiliates") has ever sponsored an Employee Benefit Plan that is or was, subject to Title IV of ERISA, Section 412 of the Code or section 302 of ERISA. No Company has any obligation to provide postretirement medical or life insurance benefits to Employees or former employees, officers,



or directors, or any dependent or beneficiary thereof, except as otherwise required under State or Federal benefits continuation laws. No Company Benefit Plan is, and no Company or any of their ERISA Affiliates has ever contributed to, or been obligated to contribute to, a "multiemployer plan" (within the meaning of Sections 3(37) or 4001(a)(3) of ERISA) under Subtitle E of ERISA. No Company Benefit Plan is, and no Company or any of their ERISA Affiliates has ever maintained, a "multiple employer plan" within the meaning of Section 4063 or 4064 of ERISA. No Company Benefit Plan that is an "employee welfare benefit plan" under Section 3(2) of ERISA is (i) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA, (ii) a "voluntary employees' beneficiary association" within the meaning of Section 501(c)(9) of the Code or other funding arrangement for the provision of welfare benefits (such disclosure to include the amount of any such funding), or (iii) self-insured by any Company.

(f) No Company Benefit Plan provides health or life insurance benefits after termination of employment to any employee, former employee, director or consultant, except to the extent required by applicable state or Federal law. All group health plans maintained by any Company have been operated in compliance in all material respects with the applicable requirements of Section 4980B of the Code.

(g) No individual who has been classified by any Company as a non-employee (such as an independent contractor, leased employee or consultant) shall have a claim against any Company for eligibility to participate in any Company Benefit Plans if such individual is later reclassified as an employee of any Company. No employee of any Company is a "leased employee" within the meaning of Section 414(n) of the Code. No Company has ever been bound by any collective bargaining agreement or similar agreement to maintain or contribute to any Employee Benefit Plan.

(h) Each Company Benefit Plan may be terminated as of or after the Closing unilaterally by the Company without resulting in any liability to any Company or Buyer for any additional contributions, penalties, premiums, fees, fines, excise taxes, or any other charges or liabilities that are not otherwise accrued as a liability of the Company in accordance with the past practice of the Companies and consistent with the accounting principles set forth on Schedule 2.6(b).

(i) No Company has a Section 409A Plan. No Company has any obligations to any employee or other service provider to make any reimbursement or other payment with respect to any tax imposed under Section 409A of the Code.

(j) Neither the execution and delivery of this Agreement nor the consummation of transactions contemplated by this Agreement will, either alone or in combination with any other event, (i) result in any payment becoming due, or increase the amount of compensation due, to any current or former employee or director of any Company, (ii) increase any benefits payable under any Company Benefit Plan, or (iii) result in any acceleration of the time of payment or vesting of any such compensation or benefits.

(k) No Company maintains any Company Benefit Plan outside the jurisdiction of the United States.

2.26 Insurance. Schedule 2.26 sets forth a list and brief description of all policies or

binders of fire, liability, product liability, workers' compensation, vehicular or other insurance held by or on behalf of the Companies specifying the insurer, the policy number or covering note number with respect to binders, and describing each pending claim thereunder. Such policies and binders are valid and enforceable in accordance with their terms, are in full force and effect, and insure against risks and liabilities to the extent and in the manner deemed appropriate and sufficient by the Companies. No Company is in default with respect to any provision contained in any such policy or binder and has not failed to give any notice or present any claim under any such policy or binder in due and timely fashion. There are no outstanding unpaid claims under any such policy or binder. No Company has received or given a notice of cancellation or non-renewal with respect to any such policy or binder.

2.27 Officers and Directors. Schedule 2.27 sets forth the name, title and total compensation of each officer and director of each Company.

2.28 Operations of the Companies. Except as set forth on Schedule 2.28, since December 31, 2007 no Company has:

(a) amended, or agreed to amend, its organizational or governing documents; or merged with or into or consolidated with, or agreed to merge with or into or consolidate with, any other Person; subdivided or in any way reclassified, or agreed to subdivide or in any way reclassify, any of its equity interests; or changed, or agreed to change, in any manner the rights of its outstanding equity interests or the character of its business;

(b) issued or sold or purchased, or agreed to issue or sell or purchase, any options or warrants or rights to subscribe to, or entered into, or agreed to enter into, any contracts or commitments to issue or sell or purchase, any of its equity securities;

(c) declared or paid, or agreed to declare or pay, any dividends; or declared or made, or agreed to declare or make, any direct or indirect redemption, retirement, purchase or other acquisition of any of its equity securities;

(d) hired, or agreed to hire, any person; entered into or amended, or agreed to enter into or amend, any employment agreement; entered into, or agreed to enter into, any agreement with any labor union or association representing any employee; entered into or amended, or agreed to enter into or amend, any Company Benefit Plan; made, or agreed to make, any change in the actuarial methods or assumptions used in funding any defined benefit pension plan; or made, or agreed to make, any change in the assumptions or factors used in determining benefit equivalencies thereunder;

(e) incurred, or agreed to incur, any indebtedness for borrowed money; or except in the ordinary course of business, incurred or assumed, or agreed to incur or assume, any liability (whether or not currently due and payable);

(f) waived, or agreed to waive, any right of material value to its business;

(g) made, or agreed to make, any change in its accounting methods or practices or made, or agreed to make, any change in depreciation or amortization policies or rates adopted by it;

(h) reduced, or agreed to reduce, its cash or short term investments or their equivalent, other than to meet cash needs arising in the ordinary course of business, consistent with past practices;

(i) materially changed, or agreed to materially change, any of its business policies or practices, including, without limitation, advertising, marketing, pricing, purchasing, personnel, sales, returns, budget or product acquisition policies or practices;

(j) made, or agreed to make, any loan or advance to any of its shareholders, members, managers, officers, directors, employees, consultants, agents or other representatives, or made, or agreed to make, any other loan or advance other than in the ordinary course of business;

(k) made, or agreed to make, any payment or commitment to pay any severance or termination pay to any of its officers, directors, managers, employees, consultants, agents, or other representatives, other than to persons not officers, directors, shareholders or members of such Company and which payments or commitments were made in the ordinary course of business;

(l) other than for fair market value, sold, abandoned or made, or agreed to sell, abandon or make, any other disposition of any of its assets or properties; granted or suffered, or agreed to grant or suffer, any lien or other Encumbrance on any of its assets or properties; entered into or amended, or agreed to enter into or amend, any contract or other agreement to which it is a party or by or to which it or its assets or properties are bound or subject, or pursuant to which it agrees to indemnify any party;

(m) suffered or incurred any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting its assets, properties, business, operations or condition (financial or otherwise);

(n) terminated, or agreed to terminate, or failed to renew, or received any written threat (that was not subsequently withdrawn) to terminate or fail to renew, any contract or other agreement that is or was material to its assets, properties, business, operations or condition (financial or otherwise);

(o) entered into, or agreed to enter into, any contract pursuant to which it agrees to refrain from competing with any party;

(p) except for inventory or equipment acquired in the ordinary course of business, made, or agreed to make, any acquisition of all or any part of the assets, properties, capital stock or business of any other Person, or made any commitments to do any of the foregoing; or

(q) failed to operate its business other than in the ordinary course.

2.29 Banks, Brokers and Proxies. Schedule 2.29 sets forth (i) the name of each bank, trust company and securities or other broker or other financial institution with which the Companies maintain relations; (ii) the name of each person authorized by the Companies to effect transactions therewith or to have access to any safe deposit box or vault; (iii) all proxies, powers of attorney or other

like instruments to act on behalf of any Company in matters concerning its business or affairs; and (iv) all charge accounts held in the name of the Companies and the name of each director, officer, employee or other person authorized by the Companies to use such charge accounts. All such accounts, credit lines, safe deposit boxes and vaults are maintained by the Companies for normal business purposes, and no such proxies, powers of attorney or other like instruments are irrevocable.

2.30 Full Disclosure. All documents and other papers delivered to Buyer by or on behalf of the Companies or Sellers in connection with this Agreement and the transactions contemplated hereby are true, complete and authentic. Such documents, this Agreement and all other Transaction Documents do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to make the statements made, in the context in which made, not false or misleading. There is no fact which any Company or the Sellers have not disclosed to Buyer in writing which materially adversely affects, or so far as the Companies or any of Seller can now foresee will materially adversely affect, the assets, properties, business, prospects, operations or condition (financial or otherwise) of any Company or the ability of any Company or Sellers to perform this Agreement.

2.31 Assets of the Companies: Affiliate Relationships. The assets of the Companies constitute all of the assets used or necessary for the operation of the Business as it has been operated prior to the date hereof and the Companies have the right to use all such assets in the manner in which they are currently using such assets. No assets used by the Companies are in the name or possession of any Seller or any other affiliated entity. Schedule 2.31 sets forth every business relationship between any Company, on the one hand, and a Seller or any of a Seller's affiliates or family members, on the other hand. Except as set forth on Schedule 2.31, (a) no Company is a party to any contract or arrangement with, or indebted, either directly or indirectly, to any of its (i) officers, directors, stockholders, members, managers, or any of their respective relatives or Affiliates, or (ii) employees, other than compensation and benefits arrangements between such Company, as employer, and such Person, as employee, in the usual, regular and ordinary course of business, and (b)(i) none of such officers, directors, stockholders, members or managers and (ii) to the knowledge of the Companies, none of their employees or any of the relatives or Affiliates of its officers, directors, stockholders, members or managers: (A) is indebted to any Company or has any direct or indirect ownership interest in, or any contractual or business relationship (whether written or oral) with, any Person with which any Company is or was Affiliated or with which any Company has a business relationship, or any Person which, directly or indirectly, competes with any Company, (B) has any claim or cause of action against any Company, or (C) owns any interest in, or controls or is a director, officer, employee, member, manager or partner of, or consultant to, or lender to or borrower from or has the right to participate in the profits of, any Person which is a competitor, supplier, customer, landlord, tenant, creditor or debtor of any Company.

2.32 No Broker. Except as set forth on Schedule 2.32, no broker, finder, agent or similar intermediary has acted for or on behalf of any Company or any Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with any Company or any of Seller or any action taken by any Company or any Seller. Sellers shall pay any fees, contingent or otherwise due to any broker, finder, agent or intermediary set forth on Schedule 2.32 with respect to the transactions contemplated hereby. No Company has any liability or obligation to pay any fees, contingent or otherwise, with respect to the transactions contemplated hereby for which Buyer could become liable or obligated.

2.33 Environmental Matters. The Companies are in compliance with all applicable Environmental Laws and have obtained and are in compliance with all Environmental Permits, and (ii) there are no written claims pursuant to any Environmental Law pending or threatened against any Company. There have been no releases of any hazardous substances or other material subject to regulation under any Environmental Law into the environment at any facility formerly or currently operated by any Company. For purposes of this Section 2.33, the following terms shall have the following respective meanings:

"Environmental Laws" shall mean any and all past, present and future municipal, state or federal law, statute, treaty, directive, decision, judgment, award, regulation, decree, rule, order, direction, consent, authorization, permit, or similar requirement, approval or standard of relevant jurisdiction(s) concerning environmental, health or safety matters (including, but not limited to, the clean-up standards and practices for Hazardous Materials) in buildings, equipment, soil, sub-surface strata, air, surface water, or ground water, including by way of illustration and not by way of limitation, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Safe Drinking Water Act, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Occupational Safety and Health Act, and any state equivalents of the foregoing (including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to any of said Environmental Laws).

"Environmental Permits" shall mean all permits, approvals, and authorizations required under all applicable Environmental Laws.

"Hazardous Materials" means any and all dangerous substances, hazardous substances, toxic substances, radioactive substances, hazardous wastes, special wastes, controlled wastes, oils, petroleum, petroleum products, by-products or breakdown products, hazardous chemicals and any other materials which may be harmful to human health or the environment and which are or may be at any time prior to the Closing Date regulated or controlled under Environmental Laws applicable to the Companies.

2.34 SAG Loan. The SAG Loan has been terminated. The Sellers have caused the amount of the SAG Loan to be reclassified as ordinary income paid to Stephen A. Gatlin and the receivable related to the SAG Loan is not an asset of the Companies for working capital purposes.

2.35 Academic eXplorer Agreement. Under the terms of the Academic eXplorer Agreement, GES has prepaid to Academic eXplorer, LLC ("AeX") the amount of \$101,000. GES is obligated to pay an additional \$79,000 to AeX under the terms of the Academic eXplorer Agreement for discounted participations in the AeX portal for customers of GES. Stephen A. Gatlin agrees to fund such amount, the funds for which shall be held in the Academic eXplorer Holdback. GES or its Affiliate is authorized to make payments to AeX under the Academic eXplorer Agreement in accordance with Section 6.17 hereof. The terms for any reimbursement of such payments or release of such funds to Stephen A. Gatlin shall be made in accordance with Section 6.17.

2.36 Apartment Lease. As of the Closing Date, a total of four monthly rental

payments (plus utilities) remain payable under the Apartment Lease.

**ARTICLE III.  
REPRESENTATIONS AND WARRANTIES OF THE SELLERS RELATING TO THE SELLERS**

Each Seller hereby represents and warrants to Buyer, jointly and severally, as of the date hereof (except as to any representation or warranty which specifically relates to another date) and as of the Closing Date, as follows:

3.1 Title to Shares. Each Seller owns beneficially and of record, free and clear of any lien or other Encumbrance, the Shares set forth opposite such Seller's name on Schedule 2.2(a), and, upon delivery of payment for such Shares as herein provided, (i) Buyer will acquire good and valid title thereto, free and clear of any lien or other Encumbrance and (ii) each Seller shall not have any equity interest in or right to receive monies from any Company in connection with any securities (equity, debt or otherwise) of any Company, except as expressly provided in this Agreement.

3.2 Authority to Execute and Perform Agreements. Holdings is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas, and has the limited liability company power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now conducted. The copy of the Certificate of Formation of Holdings (certified by the Secretary of State of Texas) and operating agreement (certified by the Secretary of Holdings) of Holdings and all amendments thereto which have been delivered to Buyer are true, correct and complete. The minute books of Holdings contain true and complete records of all meetings and consents in lieu of meetings the managers (and any committees thereof) and of the members of Holdings since the date of its formation and accurately reflect all transactions referred to in such minutes and consents in lieu of meeting. The minute books of Holdings are true and complete in all material respects. Each Seller has the full legal right and power and all authority and approval required to enter into, execute and deliver the Transaction Documents to which each Seller is party and to perform fully such Seller's obligations hereunder and thereunder. The Transaction Documents to which each Seller is party have all been duly executed and delivered and are the valid and binding obligations of each Seller enforceable against each Seller in accordance with its terms, except as may be limited by bankruptcy, moratorium, insolvency or other similar laws generally affecting the enforcement of creditors' rights. The execution and delivery of the Transaction Documents to which each Seller is party, the consummation of the transactions contemplated hereby and thereby and the performance by each Seller of the Transaction Documents to which each Seller is a party in accordance with their respective terms and conditions will not (i) require the approval or consent of any Governmental or Regulatory Authority or the approval or consent of any other Person; (ii) conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both would constitute) a default under, any certificate of incorporation, bylaw, statute, regulation, order, judgment or decree applicable to each Seller, any Company or to the Shares held by each Seller, or any instrument, contract or other agreement to which each Seller is a party or by or to which each Seller is or the Shares held by each Seller are bound or subject or (iii) result in the creation of any lien or other Encumbrance on the Shares held by each Seller.

**ARTICLE IV.  
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to the Sellers, as of the date hereof (except as to any representation or warranty which specifically relates to another date), as follows:

4.1 Due Incorporation. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and lawful authority to own its assets and properties and to carry on its business as now conducted.

4.2 Corporate Power of Buyer. Buyer has the full legal right and corporate power and authority and approval required to enter into, execute and deliver the Transaction Documents to which it is a party and to perform fully its obligations under the Transaction Documents to which it is a party. The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of Buyer are necessary to authorize the Transaction Documents or to consummate the transactions so contemplated. The Transaction Documents to which it is a party have been duly executed and delivered and are the valid and binding obligation of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, moratorium, reorganization, insolvency or other similar laws now or hereafter in effect generally affecting the enforcement of creditors' rights.

4.3 No Breach. The execution and delivery of the Transaction Documents by Buyer, the consummation of the transactions contemplated hereby and thereby and the performance by Buyer of the Transaction Documents in accordance with their respective terms and conditions will not (i) require the approval or consent of any Governmental or Regulatory Authority or the approval or consent of any other Person; or (ii) conflict with or result in any breach or violation of any of the terms and conditions of, or constitute (or with notice or lapse of time or both would constitute) a default under, any certificate of incorporation, bylaw, statute, regulation, order, judgment or decree applicable to Buyer, or any instrument, contract or other agreement to which Buyer is a party or by or to which Buyer is bound or subject.

4.4 No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with Buyer or any action taken by Buyer.

**ARTICLE V.**  
**CONDUCT OF BUSINESS PENDING THE CLOSING**

**5.1 Conduct Prior to Closing.**

(a) Except as otherwise contemplated by this Agreement, until the Closing, the Sellers covenant to cause each Company to conduct the business of the Companies only in the ordinary course, in a manner consistent with the past practices of the Companies, for the purpose of maintaining and preserving intact the business of the Companies and the goodwill associated therewith and maintaining (or causing to be maintained) the ordinary and customary relationships of the Companies with their respective employees, suppliers, customers and others having business relationships with the Companies. Until the Closing, the Sellers will cause the Companies to maintain their books and records in accordance with past practices. The Sellers will cause each Company to promptly forward to Buyer copies of any notices received or sent under any of the contracts and agreements listed on Schedule 2.14(a).

(b) By way of amplification and not limitation, except as contemplated by this Agreement, between the date of this Agreement and the Closing, the Sellers will cause each Company not to do any of the following without the prior written consent of Buyer (not to be unreasonably withheld):

(i) grant or permit any Encumbrance on any asset of the Companies (whether tangible or intangible) other than Encumbrances disclosed on Schedule 2.21 or Permitted Liens;

(ii) establish, amend or increase the benefits under any Company Benefit Plan, or otherwise increase the compensation payable to or to become payable to any current or former employee, consultant, contractor, director, member or manager of the Companies;

(iii) enter into any contract or arrangement not in the ordinary course of business or that will require the consent of any party in order to effect the transactions contemplated by this Agreement;

(iv) enter into any employment or severance agreement with any employee;

(v) sell, transfer or otherwise dispose of or encumber any asset of the Companies (whether tangible or intangible), other than in the ordinary course of business consistent with past practice;

(vi) except in the ordinary course of business, assign, convey, dispose of, enter into, amend, renew, modify, terminate (partially or completely), grant any waiver under or give any consent with respect to any contract or arrangement to which any Company is a party;

(vii) violate, breach or default under in any respect, or take or fail to take any action that (with or without notice or lapse of time or both) would constitute a violation or breach of, or default under, any term or provision of any contract or arrangement to which any Company



is a party;

(viii) make any change in any accounting or Tax principle, method or practice;

(ix) acquire (by merger, consolidation, acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof or incur any indebtedness for borrowed money or issue any debt securities or assume, grant, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any Person, or make any loans, advances or capital contributions to, or investments in any other Person;

(x) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise) of any Company, other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the Financial Statements or subsequently incurred in the ordinary course of business and consistent with past practice;

(xi) make any federal, state, local or foreign Tax election, consent, surrender, disclaimer, claim, settle or compromise any federal, state, local or foreign Tax liability, file any amended Tax Return, or consent to any extension or waiver of any applicable statute of limitations for the assessment or collection of Taxes; provided that Sellers may continue to negotiate a settlement of the potential Tax liability in the amount of \$90,904.90 described in the May 27, 2008 notice to GES from the Internal Revenue Service, but shall not agree to settlement of such potential Tax liability without the prior written consent of Buyer;

(xii) issue or sell any additional equity securities of any Company or securities convertible into or exchangeable for such equity securities, or issue or grant any options, warrants, calls, subscription rights or other rights of any kind to acquire additional equity securities of any Company;

(xiii) amend any of the constitutive or governing documents of any Company;

(xiv) declare, set aside or pay any dividends on, or make, any other distributions in respect of any of the securities of any Company; or

(xv) authorize, or commit or agree to take, any of the foregoing actions.

**5.2 No Shop.** Until the earlier of the Closing Date or the date of termination of this Agreement, the Sellers shall not and shall cause the Companies not to, nor shall Sellers authorize or permit any of the Companies' or any Seller's employees, officers, directors, members, managers, Affiliates, representatives, agents, bankers, financial advisors, attorneys or accountants retained by or on behalf of any Company or any Seller to, directly or indirectly, initiate, solicit, or knowingly encourage (including by way of furnishing non-public information), or take any other action intended to facilitate, any inquiries or the making of any proposal to effect an Alternative Transaction (as defined hereinafter),

or enter into discussions, negotiate or enter into any agreement with any Person regarding an Alternative Transaction. "Alternative Transaction" means any (a) direct or indirect acquisition or purchase of a material amount of the assets or any material asset of any Company, not in the ordinary course of business; (b) direct or indirect acquisition or purchase of any equity securities of any Company; or (c) merger, consolidation, business combination, capitalization, liquidation, dissolution or similar transaction involving any Company, other than the transactions contemplated by this Agreement.

## ARTICLE VI. ADDITIONAL COVENANTS AND AGREEMENTS

6.1 Expenses of Sale. The parties to this Agreement shall bear their respective direct and indirect expenses incurred in connection with the negotiation, preparation, execution and performance of the Transaction Documents and the transactions contemplated thereby, whether or not the transactions contemplated thereby are consummated, including, but not limited to, all fees and expenses of brokers, agents, representatives, counsel and accountants. Any and all (i) Taxes imposed on the Companies resulting from the sale, assignment, transfer and delivery hereunder of the Shares and (ii) any stamp duty and/or stamp duty reserve tax payable as a result of the sale, assignment, transfer and delivery hereunder of the GI shall be paid by the Sellers. Buyer and Sellers agree that the allocation of consideration to the shares of GI is based on a conversion rate of GBP to USD of 1.980]. Any and all Taxes imposed on the Sellers resulting from the sale, assignment, transfer and delivery hereunder of the Shares shall be paid by the Sellers. The Sellers' and the Companies' legal counsel and accounting fees with respect to this Agreement and the transactions contemplated hereby ("Sellers' Transaction Expenses") shall be paid at the Closing, pursuant to the Wire Direction Letter, in accordance with Section 1.2 hereof.

### 6.2 Certain Covenants of Sellers.

(a) Non-Compete. The Sellers and their Affiliates (collectively, the "Restricted Parties" and each, a "Restricted Party") acknowledge that (i) Buyer would not have entered into this Agreement but for the agreements and covenants contained in this Section 6.2; and (ii) the agreements and covenants contained in this Section 6.2 are essential to protect the business and goodwill of the Companies and the Business. To induce Buyer to enter into this Agreement, the Restricted Parties covenant and agree that: During the period commencing on the Closing Date and ending on the later of the fifth (5th) anniversary (or in the U.K., the second (2<sup>nd</sup>) anniversary) of the Closing Date and the termination of the Reseller Agreement (the "Restricted Period"), each Restricted Party shall not, directly or indirectly, except as set forth in Section 6.2(b) below (i) engage in any business or activity worldwide (collectively, the "Territory") that competes with the Business; (ii) render any services to any Person for use in competing with any Company or Buyer in connection with the Business in the Territory; (iii) have an interest in any Person engaged in any business that competes with any Company or Buyer in connection with the Business in the Territory, directly or indirectly, in any capacity, including, without limitation, as a partner, shareholder, officer, director, principal, agent, trustee or consultant or any other relationship or capacity; provided, however, that each Restricted Party may own, directly or indirectly, solely as an investment, securities of any Person which are publicly traded if the Restricted Party (a) is not a controlling person of, or a member of a group which controls, such Person and (b) does not, directly or indirectly, own 2% or more of any class of securities of such Person; or (iv) interfere with business

relationships (whether formed heretofore or hereafter) between any Company or any of its affiliates and customers, suppliers or prospects of such Company or any of its affiliates. Notwithstanding the foregoing, the parties agree that Holdings' ownership and involvement in Academic eXplorer, LLC is authorized; provided that Holdings' ownership interest in Academic eXplorer LLC shall be passive with respect to the Business of the Companies and that neither Stephen A. Gatlin nor Holdings shall take any action, directly or indirectly, to contact or solicit any customers, suppliers or prospects of the Companies.

(b) Obligations as International Reseller. Notwithstanding Section 6.2(a), Stephen A. Gatlin may, solely in performance of his obligations under the Reseller Agreement, engage only in those activities which are outside of North America and necessary to perform his obligations under the Reseller Agreement. To the extent the Reseller Agreement terminates or expires prior to the termination of the Restricted Period, the Territory shall be modified from worldwide to North America.

(c) Use of Corporate Name. Buyer and Sellers agree that use of the name "Gatlin" in North America is among the assets of the Business being acquired in connection with the acquisition of the Shares hereunder and all right, title and interest to the name "Gatlin" in North America shall be transferred to the Company at Closing. The Restricted Parties shall not use the name "Gatlin" in North America, in connection with any enterprise or endeavor, including but not limited to any commercial education or internet-related enterprise, without the prior written consent of the Buyer. The above notwithstanding, Stephen A. Gatlin reserves the right to use the name "Gatlin" solely (i) as the contracting party to the Reseller Agreement, and (ii) outside of North America, provided that such name shall not be together with the following specific as well as similar terms: online education, training, online training, workforce training, workforce development, education, online education, online learning, learning, certificates, career certificates, online certificate programs. For example, Restricted Parties' use of the name "Gatlin Education", or "Gatlin Online Learning" is prohibited. However, use of such a term or phrase as a tag line or branding slogan, such as "a recognized leader in online education" is not prohibited. The Restricted Parties shall not, directly or indirectly, use the name or take any action that would lead a Person to confuse an entity implementing the Reseller Agreement or any operation of Sellers with the Companies or Buyer, or their products. For the avoidance of doubt, the exception set forth Section 6.2(b) does not apply to the restrictions set forth in this Section 6.2(c).

(d) Employees of the Business. During the Restricted Period, the Restricted Parties shall not, directly or indirectly, (a) solicit or encourage any Employee or consultant to leave the employment or retention of any Company or Buyer or any of their affiliates, or (b) hire any such Employee or consultant who has left the employment or retention of any Company or Buyer or any of their affiliates within one (1) year of the termination of such Employee's employment or consultant's retention with any Company or Buyer or any of their affiliates; provided that, Sellers may retain or engage as consultants or employees the individuals listed on Schedule 6.2(d).

(e) Confidential Information. From and after the Closing, each Seller shall keep secret and retain in strictest confidence, and shall not use for the benefit of itself or others, except in connection with the business and affairs of Buyer, the Companies and their affiliates, all confidential matters relating to the Companies, the Business or Buyer and each of their affiliates, including, but not limited to, "know how", trade secrets, algorithms, customer lists, supplier lists, details of consultant and employment contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, technical processes, designs and design

projects, processes, inventions, software, source codes, algorithms, object codes, systems documentation and research projects and other business affairs and shall not disclose them to anyone outside of Buyer and its affiliates, provided, however, this covenant shall not apply to (i) any information which is or becomes generally available to the public other than as a result of disclosure by such Seller or (ii) which such Seller is required to disclose in any legally required government or securities filings, legal proceedings, subpoena, civil investigative demand or other similar process (provided such Seller (a) except to the extent legally prohibited, provides Buyer with prompt notice of such required disclosure so Buyer may attempt to obtain a protective order, (b) cooperates with Buyer, at Buyer's expense, in obtaining such protective order, and (c) only discloses that information which he or it is absolutely required to disclose as advised by counsel).

(f) Rights and Remedies Upon Breach. If a Seller breaches, or threatens to commit a breach of, any of the provisions of this Section 6.2, Buyer shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Buyer under law or in equity:

(i) Specific Performance. The right and remedy to have the restrictive covenants set forth in this Section 6.2 specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause immediate and irreparable injury to Buyer and that money damages alone will not provide adequate remedy to Buyer.

(ii) Accounting. The right and remedy to require such Seller to account for and pay over to Buyer all payments, profits, monies, accruals, increments or other benefits derived or received by such Seller as the result of any transactions constituting a breach of any of the restrictive covenants.

6.3 Releases. Effective as of and contingent upon the Closing, and except with respect to any rights in connection with this Agreement or the transactions contemplated hereby, Sellers, for themselves and their respective heirs, executors, administrators, successors and assigns, hereby release and forever discharge the Companies and their officers, directors, shareholders, members, managers, agents, representatives and employees, and their respective heirs, executors, administrators, successors and assigns (the Companies and such other persons being hereinafter collectively referred to as the "Releasees"), from all actions, causes of action, suits, libels, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, liens, claims, and demands whatsoever, in law, admiralty or equity, against any of the Releasees that Sellers ever had, now have or hereafter can, shall or may, have for, upon or by reason of any matter, cause or thing whatsoever, whether personally, in their own rights, together with any other Person, derivatively or otherwise, from the beginning of the world to and including the Closing Date (collectively, "Claims") and, without limiting the generality of the foregoing, (i) from any and all of their respective Claims for any and all amounts, including without limitation, all expenses, fees, compensation, commissions or dividends, owed to them in connection with, in respect of or as a result of their purchase, sale or ownership of any equity securities of the Companies ever owned by them or to which they were entitled, and represent and warrant to Buyer that neither Buyer nor any Company is, nor will be, liable to Sellers for any such amounts; and (ii) from any claim or

rights of any kind that any Sellers may have to indemnification by any Company for any act or inaction by such Seller taken or occurring before the Closing Date.

6.4 Further Assurances. Each of the parties shall execute such documents and other papers and perform such further acts as may reasonably be required or desirable to carry out the provisions hereof and the transactions contemplated hereby. Each of the parties shall use its reasonable efforts to fulfill or obtain the fulfillment of the conditions to Closing.

6.5 Corporate Examinations and Investigations. Prior to the Closing Date, Buyer shall be entitled, through its employees and representatives, to make such investigations of the Companies and the Business and such examination of the books, records and financial condition of the Companies and the Business as Buyer reasonably considers necessary. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances and the Companies and Sellers shall cooperate fully therein. No investigation by or knowledge of Buyer shall, however, diminish or obviate in any way any of the representations, warranties, covenants or agreements of the Companies and Sellers under this Agreement.

6.6 Access to Records. Each party agrees to provide the other party with reasonable access to the books and records of the other party related to the Business after the Closing Date for the purpose of preparing tax returns, defending claims or other reasonable business purposes.

6.7 Tax Matters.

(a) General. Sellers shall be responsible for all Tax liabilities of GES and GL for Tax periods, or portions thereof, ending on or before the Closing Date.

(b) Filing Responsibility. The following provisions shall govern the allocation of responsibility and payment of Taxes as between Buyer and the Sellers for certain Tax matters following the Closing Date:

(i) Between the date of this Agreement and the Closing Date, the Sellers shall, or shall cause GES and GL to prepare and file, on a timely basis, all Tax Returns that are required to be filed by GES and GL (taking account of extensions) prior to the Closing Date and shall pay all Taxes with respect thereto.

(ii) Buyer shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for GES and GL for all periods ending on or prior to the Closing Date which are required to be filed after the Closing Date. Sellers shall reimburse Buyer for Taxes of GES and GL with respect to all periods within fifteen (15) days before payment by Buyer or GES and GL of such Taxes.

(iii) Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of GES and GL for Tax periods which begin before the Closing Date and end after the Closing Date. Sellers shall pay to Buyer within fifteen (15) days before the date on which Taxes are paid with respect to such periods an amount equal to the portion of such Taxes which relates to the portion of such Tax period ending on the Closing Date to the extent such Taxes were not reflected as a

liability in determining the Purchase Price. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax which relates to the portion of such Tax period ending on the Closing Date shall (x) in the case of any Taxes other than Taxes based upon or related to income, gains or receipts, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period, and (y) in the case of any Tax based upon or related to income, gains or receipts be deemed equal to the amount which would be payable if the relevant Tax period ended on the Closing Date. Any credits relating to a Tax period that begins before and ends after the Closing Date shall be taken into account as though the relevant Tax period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with reasonable prior practice of the Company.

Solely with respect to GI, if any of the terms of this Section 6.7(b) shall conflict with the terms set forth in the Tax Deed attached hereto as Exhibit E, the terms of such Tax Deed shall govern.

(c) Access and Assistance. Buyer, GES, GL, GI, Sellers and their Affiliates will provide each other with such assistance as may reasonably be requested by any of them in connection with the preparation of any Tax Return, any audit or other examination by any taxing authority, any judicial or administrative proceedings relating to liability for Taxes, or any other claim arising under this Agreement, and each will retain and provide the others with any records or information that may be relevant to any such Tax Return, audit or examination, proceeding or claim. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any provided hereunder and shall include providing copies of any relevant Tax Returns and supporting work schedules which assistance shall be provided without charge except for reimbursement of reasonable out-of-pocket expenses.

(d) Refunds. All refunds for Taxes for Tax periods ending on or prior to the Closing Date shall be the property of the Sellers and any such refunds shall be paid to the Sellers by the Company promptly upon receipt; provided, however, the Sellers shall not be entitled to any refund, or portion thereof, if such refund, or portion thereof, is the result of the carryback of any operating losses, net operating losses, capital losses, Tax credits or similar items arising in a Tax period ending after the Closing Date. To the extent any refund from one jurisdiction is treated as income to another jurisdiction, any Tax owed to such other jurisdiction on account of such refund shall reduce the amount paid to the Sellers under this Section 6.7(d). Notwithstanding the foregoing, any such refund to be paid to the Sellers shall be first offset against any indemnification payments owed to Buyer under Article VIII of this Agreement.

(e) Notifications. If Buyer or any Company becomes aware of any assessment, official inquiry, examination or proceeding that could result in an official determination with respect to any Tax for which the Sellers could be liable pursuant to Section 6.7(a), Buyer shall promptly so notify the Sellers in writing. If the Sellers become aware of any official inquiry, examination or proceeding that could result in an official determination with respect to Taxes related to the business, activities or assets of the Companies, the Sellers shall promptly so notify Buyer in writing.

(f) S Corporation Status. Buyer acknowledges that the purchase of GES as set forth herein shall terminate, pursuant to Section 1362(d)(2) of the Code, any S Election made by GES and the resulting S corporation status of GES ("S Election") means the election under Section 1362(a) of the Code to be taxed in accordance with the provisions of Subchapter S of the Code. The taxable year of GES in which any such S Election and S corporation status terminates is an "S Termination Year," as defined in Section 1362(e)(4) of the Code, with respect to GES. Pursuant to Section 1362(e)(1) of the Code, such S Termination Year shall be divided into two short taxable years, an "S Short Year" and a "C Short Year." As defined in Section 1362(e)(1)(A) of the Code, the S Short Year shall be that portion of the S Termination Year beginning on the initial day of GES's taxable year and ending on the day immediately preceding the Closing Date. GES shall be treated as an S corporation during the S Short Year for federal income tax purposes. Pursuant to Section 1362(e)(1)(B) of the Code, the portion of the S Termination Year beginning on the Closing Date and ending on the last day of GES's taxable year shall be GES's C Short Year. GES shall be taxed as a C corporation during the C Short Year for federal income tax purposes.

Tax items of GES shall be allocated to its S Short Year and its C Short Year pursuant to the tax accounting rules contained in Section 1362(e)(3) of the Code (i.e., the "closing of the books method").

#### 6.8 Employee Matters.

(a) Buyer agrees to continue at Closing the employment of those Employees set forth on Schedule 6.8(a) (the "Transferred Employees"). At the Closing Date, Buyer shall, in good faith, attempt to provide or cause to be provided to the Transferred Employees, compensation that is not less favorable than the compensation provided to such Transferred Employee immediately before the Closing Date. As of the Closing Date, Buyer shall permit Transferred Employees to participate in the Employee Benefit Plans of Buyer (other than bonus and other incentive plans) generally available to similarly situated employees of Buyer, in accordance with the terms of the applicable plan, provided that the Transferred Employee continues to be employed by Buyer. Nothing in this Section 6.8(a) shall entitle any Employee to employment with Buyer and shall not change any such Employee's status as an employee-at-will.

(b) Sellers shall be solely liable for, jointly and severally, and shall hold the Companies and Buyer harmless with respect to, any Company Benefit Plan in existence on or prior to the Closing Date, whether such liability arises before, on or after the Closing Date, including, without limitation, unfunded liabilities, liability with respect to the administration or termination of any such plan, any retiree's, former employee's, consultant's or director's employment or service with the Companies, any individual receiving continuation of coverage benefits in accordance with the provisions of COBRA and State benefits continuation laws, or any accrued but unpaid claim, whether known or unknown as of the Closing, under such plan.

(c) Prior to the Closing, except as otherwise requested by the Buyer, the Companies shall terminate all Company Benefit Plans other than the medical plan, pursuant to which Sellers shall continue to provide any required COBRA and State benefits continuation coverage. Sellers shall or shall cause the Companies to provide a draft of the Form 5310 for each terminated Company

Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code no later than the Closing Date.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation due, to any Employee or former employee of any Company; (ii) increase any benefits otherwise payable under any Company Benefit Plan; (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits; (iv) result in the payment of any amount that could, individually or in combination with any other such payment, constitute an "excess parachute payment," as defined in 280G(b)(1) of the Code; or (v) result in the triggering or imposition of any restrictions or limitations on the rights of any Company to amend or terminate any Company Benefit Plan.

(e) This Section 6.8 shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other person or entity, including the Employees or any former employee of any Company, which persons shall have no rights to enforce this Agreement.

6.9 Indebtedness for Borrowed Money. Prior to the Closing, the Companies and the Sellers shall take all actions reasonably required in order that Buyer may use a portion of the Purchase Price to payoff, on behalf of Sellers, all of the Companies' indebtedness for borrowed money contemporaneously with Closing. Sellers shall obtain for delivery to Buyer at Closing releases and terminations of all relevant security agreements and/or interests.

6.10 W-9s. In connection with the requirements under the Escrow Agreement, prior to Closing the Companies shall obtain and provide to Buyer and the Escrow Agent completed and executed Internal Revenue Service Form W-9s from each Seller. Notwithstanding anything herein to the contrary, the failure of a Person to provide a completed W-9 shall entitle the Escrow Agent and Buyer to withhold any payments to be made to such Person until the completed W-9 is provided.

6.11 280G Payments. To the extent any payments made with respect to, or which arise as a result of, this Agreement, could be characterized as an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code, the Companies shall (i) to the extent not already obtained, obtain the consent of the recipient of any such payment that would otherwise be due and owing that such payment shall not be due and owing, or paid, absent 280G Approval (as defined below), and (ii) use commercially reasonable efforts to cause all such payments to be adequately disclosed to, and properly approved by a separate vote of, the equity holders of the Companies meeting the requirements of the Code and the applicable Treasury Regulations ("280G Approval").

6.12 Notification of Certain Matters. The Sellers shall, and shall cause the Companies to, give prompt notice to Buyer, and Buyer shall give prompt notice to the Sellers, of (i) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which could reasonably be expected to cause any representation or warranty contained in this Agreement to be untrue or inaccurate and (ii) any failure of any Company, Sellers or Buyer, as the case may be, to comply with or satisfy any covenant, condition, or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.



6.13 Consents, Approvals. The Companies, Buyer and Sellers shall each use their commercially reasonable efforts to obtain all consents, waivers, approvals, authorizations, or orders from Governmental or Regulatory Authorities and third parties, and the Companies, Buyer and Sellers shall make all filings and give all notices required in connection with the authorization, execution and delivery of this Agreement by the Companies, Buyer and Sellers and the consummation by them of the transactions contemplated hereby. Each party hereto will keep the other parties hereto apprised of the status of any inquiries made of such party by any Governmental or Regulatory Authority with respect to this Agreement or the transactions contemplated hereby. Except where prohibited by applicable statutes and regulations, each party shall promptly provide the other (or its counsel) with copies of such necessary information and reasonable assistance as such other party may reasonably request in connection with its preparation of necessary filings or submissions to any governmental agency and copies of all filings and supplemental filings made by such party with any Governmental or Regulatory Authority, in connection with this Agreement or the transactions contemplated hereby and shall promptly use best efforts to effect satisfaction of the conditions specified in Section 7.1(c) hereof.

6.14 Company Intellectual Property. If any Seller owns or shall at any time hereafter and prior to the Closing acquire any rights in any Company Intellectual Property, such Seller shall, and hereby does, transfer all of its rights, title and interest in such Company Intellectual Property to the applicable Company for no additional consideration. Each Seller shall execute and deliver such additional documents and instruments and take such other actions as the Buyer shall reasonably request to give effect to the provisions of this Section 6.14. Each of the Sellers hereby irrevocably designates and appoints the Buyer and its agents as its attorneys-in-fact to act for and on such Seller's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by such Seller.

6.15 Transition Assistance. For a period commencing at Closing and ending on the sixtieth day following Closing and in partial consideration of payment of the Purchase Price, Stephen A. Gatlin shall be available to Buyer during business hours and shall provide consulting services in connection with the Business as reasonably requested by Buyer from time to time.

6.16 Apartment Lease Payments. Following the Closing, Buyer shall pay, or shall cause its Affiliate to pay, all amounts payable by GES under, or related to, the Apartment Lease (including but not limited to renter's insurance premiums) as they become due with funds from the Apartment Lease Holdback. At such time as (A) the Apartment Lease is terminated and GES receives satisfactory evidence that it has no remaining liability whatsoever under the Apartment Lease, or (B) the Apartment Lease is assigned by GES and GES receives satisfactory evidence of its full release from any obligations under the Apartment Lease, Buyer shall send, or shall cause its Affiliate to send, to Stephen A. Gatlin the remaining amount of the Apartment Lease Holdback, if any. To the extent the amounts payable by GES under, or related to, the Apartment Lease exceed the amount of the funds held back in the Apartment Lease Holdback, Stephen A. Gatlin agrees to pay the amount of such shortfall to GES within five days of receipt of notice thereof.

6.17 Academic eXplorer Payments. Following the Closing, Buyer shall pay, or shall cause its Affiliate to pay, all amounts payable by GES under the Academic eXplorer Agreement as they become due with funds from the Academic eXplorer Holdback. Buyer and Sellers acknowledge that GES may receive payments from customers who have agreed to participate in the AeX portal as

reimbursement for each \$600 advance made by GES on behalf of such customers for portal participation (the "Portal Payments"). To the extent, if ever, the aggregate Portal Payments received by GES exceed \$101,000, the amount paid by GES under the Academic eXplorer Agreement prior to Closing, (such excess referred to herein as the "Excess Portal Payment Amount") GES shall make quarterly payments to Stephen A. Gatlin equal to the amount of the Excess Portal Payment Amount actually received by GES in the preceding three months; provided, however, that the aggregate amount of such payments shall not exceed the \$79,000 initially held back as the Academic eXplorer Holdback at Closing. At such time as Buyer receives satisfactory evidence that all of GES payment obligations under the Academic eXplorer Agreement have been satisfied, Buyer shall send, or shall cause its Affiliate to send, to Stephen A. Gatlin the remaining amount of the Academic eXplorer Holdback, if any.

## ARTICLE VII. CLOSING DELIVERIES

7.1 Closing Deliveries of the Sellers. The Sellers shall deliver, or cause to be delivered, to Buyer at the Closing the following, any one or more of which may be waived by Buyer:

(a) Representations, Warranties and Covenants. All of the representations and warranties of the Companies and Sellers contained in this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date without giving effect to any disclosures made by the Companies or Sellers after the date hereof (except for those representations and warranties made as of a particular date, which shall be true and correct as of such date); all of the terms, covenants, agreements and conditions of this Agreement to be performed, complied with or satisfied by the Companies and Sellers on or prior to the Closing Date shall have been duly performed, complied with or satisfied in all material respects; and a certificate to the foregoing effects dated the Closing Date and signed by the President of each Company and by each Seller shall have been delivered to Buyer.

(b) No Injunctions or Restraints: Illegality. No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition shall be in effect, and no litigation by any governmental entity seeking to: (a) prevent the consummation of the transactions contemplated by this Agreement, (b) affect adversely the right of Buyer to own the Shares and control the Companies, (c) cause the transactions contemplated by this Agreement to be rescinded following consummation, or (d) affect adversely the right of the Companies to own their assets and to operate their businesses, shall have been commenced. There shall not be any action taken, or any statute, rule, regulation, or order enacted, entered, enforced, or deemed applicable to the transactions contemplated by this Agreement that makes the consummation of the transactions contemplated by this Agreement illegal.

(c) Government Actions. There shall not be any action taken, or any statute, rule, regulation, or order enacted, entered, enforced, or deemed applicable to the transactions contemplated by this Agreement, by any federal, state or foreign governmental entity that, in connection with the grant of a consent or the lapse of a waiting period that is necessary for the consummation of the transactions contemplated by this Agreement ("Requisite Regulatory Approval"), imposes or would impose, in the reasonable judgment of Buyer, any condition or restriction upon any Company (or, in the case of any disposition of assets required in connection with such Requisite Regulatory Approval, upon

Buyer or its subsidiaries), including, without limitation, requirements relating to the disposition of assets.

(d) Material Adverse Change. Since December 31, 2007, there shall not have been a Material Adverse Change.

(e) Third Party Consents. Unless waived by Buyer, all consents, waivers, approvals, authorizations, orders or permits required to be obtained, and all filings required to be made, and notices required to be provided, in connection with the performance of the Companies' or the Sellers' obligations under this Agreement or the continuation of any of the Companies' Permits, contracts or agreements after the Closing, shall have been obtained, made and provided by the Companies.

(f) Legal Opinion. Buyer shall have received an opinion of counsel to the Companies and Sellers, dated as of the Closing, in the form attached hereto as Exhibit B.

(g) Sellers' Certificate.

(i) Buyer shall have received a certificate signed by the Sellers which shall (i) attach a copy of the constitutive documents, and any amendments thereto, of each Company certified by the secretary of state (or similar authority) of the state of its formation, (ii) certify a copy of the resolutions of the Board of Directors and the shareholders of each of GES, GL and GI evidencing the adoption of the approval of the Transaction Documents and the transactions contemplated hereby, (iii) attach a copy of the governing documents (bylaws and/or operating agreement) of each Company, (iv) attach good standing and tax clearance certificates (or foreign equivalent) for each Company from each jurisdiction where such Company has been formed or is qualified to do business, certified by the respective authorities from such jurisdictions and (v) attach certified copies of all documents evidencing other necessary company or other action and governmental approvals, if any, with respect to the Transaction Documents and the transactions contemplated thereby.

(ii) Buyer shall have received a certificate signed by the Secretary of Holdings which shall (i) certify the names of the officers of Holdings authorized to sign this Agreement and the other documents, instruments or certificates to be delivered pursuant to this Agreement by Holdings or any of its managers or officers, together with the true signatures of such managers or officers (ii) attach a copy of the constitutive documents, and any amendments thereto, of Holdings certified by the secretary of state (or similar authority) of the state of its formation, (iii) certify a copy of the resolutions of the member of Holdings evidencing the adoption of the approval of the Transaction Documents and the transactions contemplated hereby, (iv) attach a copy of the operating agreement of Holdings, (v) attach good standing and tax clearance certificates (or foreign equivalent) for Holdings from each jurisdiction where Holdings has been formed or is qualified to do business, certified by the respective authorities from such jurisdictions and (vi) attach certified copies of all documents evidencing other necessary company or other action and governmental approvals, if any, with respect to the Transaction Documents and the transactions contemplated thereby.

(h) Transfer of Shares. Each Seller shall have delivered to Buyer the Shares held by such Seller, properly endorsed for transfer or accompanied by duly executed stock powers or transfers (or equivalent) and share certificate, in either case in blank or in the name of Buyer.

(i) Resignations of Officers and Directors. The Sellers shall have delivered to Buyer the resignation, effective immediately after the Closing, of each officer (including the secretary of GI) and director of the Companies.

(j) Company Records. The Sellers shall have delivered or made available to Buyer all of the Companies' minute books, securities records, books of account, corporate seals, contracts and agreements and other documents, instruments and papers.

(k) Indebtedness. The Sellers shall have delivered to Buyer the Indebtedness Certificate pursuant to Section 1.4 hereof. The Sellers shall have obtained payoff letters, releases and terminations of all relevant security agreements and/or interests. The Companies shall have provided evidence of same to Buyer.

(l) Escrow Agreement. The Sellers shall have delivered to Buyer an escrow agreement, substantially in the form of Exhibit C (the "Escrow Agreement"), signed by the Sellers and Edwards Angell Palmer & Dodge LLP, acting as the escrow agent (the "Escrow Agent").

(m) Reseller Agreement. The Sellers shall have delivered to Buyer a fully-executed Reseller Agreement between Cengage Learning, Inc. and Stephen A. Gatlin, or an Affiliate of Stephen A. Gatlin, substantially in the form of Exhibit D (the "Reseller Agreement").

(n) Employee Loans. The Sellers shall have delivered to Buyer evidence of the payment in full of any amounts due under any Employee Loan other than the computer lease payments.

(o) Tax Deed. The Sellers shall have executed and delivered to Buyer the Tax Deed in respect of GI attached hereto as Exhibit E.

(p) Source Code. The Companies shall have delivered to Buyer complete and correct copies of all source code (including all commented versions to the extent the same exist) and user and technical documentation related to the Products.

(q) Passwords. To the extent any passwords are used in the conduct of their businesses, whether internally or by users of Products, the Companies shall have delivered to Buyer a written list of all such passwords, indicating for each such password any associated user identification and where and for what purpose such password is used. Such list of passwords will be accurate, true and complete.

(r) Internet Protocol. The Companies shall have delivered any user identification information or passwords needed to access the sites listed on Schedule 2.18(g).

(s) Wire Direction Letter. The Sellers shall have delivered to Buyer the Wire Direction Letter pursuant to Section 1.2 hereof.

(t) GI Employee. The employee of GI shall have been terminated effective prior to Closing and Sellers shall have delivered to Buyer a fully-executed compromise agreement

between such employee and GI in form and substance acceptable to Buyer. Sellers shall have delivered to Buyer evidence of payment in full of any severance obligations payable to such employee.

(u) FIRPTA Certificates. GES and GL shall have either (i) delivered to Buyer a properly executed statement satisfying the requirements of Treasury Regulation Sections 1.897-2(h) and 1.1445-2(c)(3) in a form reasonably acceptable to Buyer or (ii) caused each Seller to have executed and delivered to Buyer certificates of non-foreign status satisfying the requirements of Treasury Regulations Section 1.1445-2(b) in a form reasonably acceptable to Buyer.

(v) Waiver of Termination Right. Sellers shall have delivered to Buyer a waiver executed by Sundance Square Partners, L.P. ("Landlord") waiving its right to terminate that certain Office Lease Agreement, dated October 12, 2004, between Landlord and GES, as amended (the "Lease"), under Section 16 of the Lease as a result of the transactions contemplated hereby or in connection herewith, in a form reasonably acceptable to Buyer.

(w) Employee Settlement. Sellers shall have delivered to Buyer a release of GES and its successors, executed by Mark Lamkin, of any liabilities relating to an expectation of receiving options to purchase equity of GES, in a form reasonably acceptable to Buyer.

(x) Termination of Consulting Agreement. Sellers shall have delivered to Buyer (i) evidence of termination of that certain Agreement, date January 1, 2005, between GES and MCR Capital Advisors, LLP, as amended September 12, 2005, September 20, 2006 and January 8, 2008, which termination shall include a full release of the Companies and their successors and (ii) a fully-executed confidentiality agreement between MCR Capital Advisors, LLP, Thomas Colvin and the Companies, in a form acceptable to Buyer.

(y) Amendment of Certain Agreements. Sellers shall have delivered to Buyer evidence of the amendment of those agreements set forth on Schedule 7.1(y), in a form reasonably satisfactory to Buyer.

(z) Payment of Advances. Stephen A. Gatlin shall have repaid any amounts advanced or loaned to him by any Company as disclosed on Schedule 2.31.

(aa) Domain Name Assignment. Sellers shall have delivered to Buyer a fully-executed Domain Name Assignment in the form of Exhibit F attached hereto transferring the following domain names from Stephen A. Gatlin to GES: careertraining2go.com; certificates2go.com; and gatlinonline.com.

(bb) Other Documents. Sellers shall have delivered to the Buyer executed counterparts to such other instruments or documents as may be necessary or appropriate to carry out the transactions contemplated by the Transaction Documents.

7.2 Closing Deliveries of Buyer. Buyer shall deliver to the Sellers at the Closing the following, any one or more of which may be waived by the Sellers:

(a) Representations, Warranties and Covenants. All of the representations and warranties of Buyer contained in this Agreement shall be true, correct and complete in all material respects on and as of the Closing Date (except for those representations and warranties made as of a particular date, which shall be true and correct as of such date); all of the terms, covenants, agreements and conditions of this Agreement to be performed, complied with or satisfied by Buyer on or prior to the Closing Date shall have been duly performed, complied with or satisfied in all material respects; and a certificate to the foregoing effects dated the Closing Date and signed by an officer of Buyer shall have been delivered to the Companies.

(b) Closing Payment. Buyer shall have paid the Closing Payment in accordance with the terms and conditions of this Agreement.

(c) Escrow Agreement. Buyer shall have delivered to the Sellers a copy of the Escrow Agreement, signed by Buyer and the Escrow Agent.

(d) Other Documents. Buyer shall have delivered to the Sellers executed counterparts to such other instruments or documents as may be necessary or appropriate to carry out the transactions contemplated by the Transaction Documents.

## ARTICLE VIII. INDEMNIFICATION

8.1 Survival. Notwithstanding any right of Buyer to fully investigate the affairs of the Sellers and the Companies and notwithstanding any knowledge of facts determined or determinable by Buyer pursuant to such investigation or right of investigation, Buyer has the right to rely fully upon the representations, warranties, covenants and agreements of the Sellers contained in this Agreement or in any document delivered to Buyer by the Sellers or the Companies or any of their representatives in connection with the transactions contemplated by this Agreement. All representations and warranties of the Parties shall survive the execution and delivery hereof and the Closing hereunder, and all such representations and warranties shall thereafter terminate and expire with respect to any theretofore unasserted claim eighteen (18) months following the Closing Date (and no claim for indemnification shall thereafter be made arising from any breaches of any such representations or warranties), except that (i) the representations and warranties set forth in Sections 2.1 (Due Organization), 2.2 (Capitalization), 2.3 (Convertible Shares), 2.4 (Authority of the Companies), 3.1 (Title) and 3.2 (Authority of Sellers) shall survive indefinitely, (ii) the representations and warranties set forth in Sections 2.8 (Tax Matters), 2.12 (Employee Matters) and 2.33 (Environmental Matters) shall survive for the applicable statute of limitations and (iii) any misrepresentation of which the Party making such representation had knowledge prior to the Closing Date shall survive indefinitely. All covenants and agreements respectively made by the Sellers and Buyer in this Agreement to be performed after the Closing Date shall survive the Closing and will remain in full force and effect thereafter until (i) in the case of all covenants and agreements that have specified terms or periods, until the expiration of the terms or periods specified therein; and (ii) in the case of all other covenants and agreements that do not have specified terms or periods, until the fulfillment thereof.

8.2 Obligation of the Sellers to Indemnify. Subject to the limitations contained in

Section 8.6, the Sellers shall jointly and severally indemnify, defend and hold the Buyer and its directors, officers, employees, affiliates and assigns harmless (each, a "Buyer Indemnified Party") from and against any losses, liabilities, damages (including incidental and consequential damages), deficiencies, costs, expenses (including interest, penalties and reasonable attorneys' fees and disbursements) (collectively, "Losses"; for purposes hereof, any Losses incurred by any Company shall be considered as Losses to a Buyer Indemnified Party) sustained or incurred by such Buyer Indemnified Party relating to, caused by or resulting from:

(a) any misrepresentation or breach of warranty of the Sellers contained in this Agreement, or in any other certificate, schedule, document, or other writing delivered by the Sellers or by pursuant to this Agreement;

(b) any breach of, or failure to satisfy, any covenant or obligation of the Sellers in this Agreement or on any other certificate, document, writing or instrument delivered by any Company or the Sellers pursuant to this Agreement.

(c) any litigation or claim, whenever arising, based upon facts and circumstances occurring prior to the Closing, whether or not disclosed on Schedule 2.11, or elsewhere;

(d) the employment (including the initial hiring and all terms, conditions, and events relating to the ongoing employment) or termination of employment (including constructive termination) by the Companies of any individual (including without limitation any current or former employee of any Company) attributable to any action or inaction occurring before the Closing;

(e) any claim by any current or former employee of any Company for any type of benefits under any law, including without limitation workers' compensation, unemployment, temporary or permanent disability, and social security, that is based on employment by such Company before the Closing;

(f) any liability of a Seller for Taxes as provided in Section 6.7 other than where Buyer would be liable under the provisions of this Agreement;

(g) any liability related to any Company Benefit Plan or ERISA-related matters or the severance of any employees of the Companies before the Closing Date, whether such liability arises before, on or after the Closing Date;

(h) any claim by any Person arising under or related to the Loan and Security Agreement, dated as of August 4, 2004, between TFC Credit Corporation and Gatlin Education Services, Inc.;

(i) any claim by any Person arising under or related to the Academic eXplorer Agreement, or any related agreement or arrangement, including but not limited to any related agreement or arrangement with any customer of the Companies; and

(j) any liability of any Company arising from a claim by a Seller in connection with, in respect of or as a result of a Seller's purchase, sale or ownership of any equity

interests of any Company ever owned by such Seller or to which such Seller was entitled.

**8.3 Obligation of Buyer to Indemnify.** Buyer shall indemnify, defend and hold harmless the Sellers and their affiliates and assigns (each, a "Seller Indemnified Party") from and against any Losses sustained or incurred by such Seller Indemnified Party relating to, caused by or resulting from:

(a) any misrepresentation or breach of warranty of Buyer contained in this Agreement, or in any other certificate, schedule, document, or other writing delivered by Buyer pursuant to this Agreement;

(b) any breach of, or failure to satisfy, any covenant or obligation of Buyer in this Agreement or on any other certificate, document, writing or instrument delivered by Buyer pursuant to this Agreement;

(c) any liability of Buyer for Taxes as provided in Section 6.7 other than where the Sellers would be liable under the provisions of this Agreement; and

(d) any claim based upon facts and circumstances related to the operation of the Business after the Closing Date. -

**8.4 Notice of Third Party Claims to Indemnifying Party.** If any party (the "Indemnitee") receives notice of any claim or the commencement of any action or proceeding from a Person not a party to this Agreement with respect to which another party (or parties) to this Agreement is obligated to provide indemnification (the "Indemnifying Party") pursuant to Section 8.2 or Section 8.3, the Indemnitee shall promptly give the Indemnifying Party notice thereof. Such notice shall describe the claim in reasonable detail and shall indicate the amount (estimated if necessary) of the Loss that has been or may be sustained by the Indemnitee. The Indemnifying Party may elect to compromise or defend, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any such matter involving the asserted liability of the Indemnitee. If the Indemnifying Party elects to compromise or defend such asserted liability, it shall within thirty (30) days (or sooner, if the nature of the asserted liability so requires) notify the Indemnitee of its intent to do so, and the Indemnitee shall cooperate, at the expense of the Indemnifying Party, in the compromise of, or defense against, any such asserted liability. (In such case the Indemnitee may participate, at its own expense, in such defense.) If the Indemnifying Party elects not to compromise or defend against the asserted liability, or fails to notify the Indemnitee of its election as herein provided, the Indemnitee may at the Indemnifying Party's expense, pay, compromise or defend such asserted liability. Notwithstanding the foregoing, neither the Indemnifying Party nor the Indemnitee may settle or compromise any claim over the objection of the other; provided, however, that consent to settlement or compromise shall not be unreasonably withheld. If the Indemnifying Party chooses to defend any claim, the Indemnitee shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defense.

**8.5 Notice of Claims.** In the case of a claim for indemnification hereunder that is not a third party claim covered by Section 8.4 hereof, upon determination by the Indemnitee that it is entitled to indemnification or that circumstances exist that may entitle such Indemnitee to indemnification hereunder, the Indemnitee shall deliver notice of such claim to the Indemnifying Party, setting forth in



reasonable detail the basis of such claim for indemnification (the "Indemnification Notice"). Upon the Indemnification Notice having been given to the Indemnifying Party, the Indemnifying Party shall have thirty (30) days in which to notify the Indemnitee in writing (the "Dispute Notice") that the amount of the claim for indemnification is in dispute, setting forth in reasonable detail the basis of such dispute. In the event that a Dispute Notice is not given to the Indemnified Party within the required thirty (30) days, the Indemnifying Party shall be obligated to pay the Indemnitee the amount set forth in the Indemnification Notice within sixty (60) days after the date that the Indemnification Notice had been given to the Indemnifying Party. In the event that a Dispute Notice is timely given to an Indemnitee, the parties hereto shall have thirty (30) days to resolve any such dispute. In the event that such dispute is not resolved by such parties within such period, the parties shall have the right to pursue all available remedies to resolve such dispute.

#### 8.6 Basket; Limitations on Indemnification; Calculation of Losses.

(a) Basket. Buyer Indemnified Parties shall not be entitled to make a claim for indemnification for any Losses arising out of Section 8.2(a) until the aggregate amount of all claims for Losses which arise out of Section 8.2(a) exceeds One Hundred Thousand Dollars (\$100,000) (the "Basket"). In the event the aggregate amount of such Losses exceeds the Basket, then the Sellers shall indemnify such Buyer Indemnified Party with respect to the amount of all Losses, including the Basket.

(b) Sellers' Cap. The maximum aggregate liability of the Sellers under Section 8.2(a) for all Losses shall be the Escrow Amount (the "Sellers' Cap").

(c) Buyer's Cap. The maximum aggregate liability of Buyer under Section 8.3(a) for all Losses shall be the Escrow Amount.

(d) Exclusions from the Basket and Sellers' Cap. Notwithstanding the foregoing, the following Losses shall not be subject to the provisions of the Basket and Sellers' Cap and a Buyer Indemnified Party shall be entitled to indemnification with respect to such Losses in accordance with this Article VIII as though the Basket and Sellers' Cap were not a part of this Agreement:

(i) Losses relating to, caused by or resulting from the breach of the representations and warranties contained in Section 2.1 (Due Organization), Section 2.2 (Capitalization), Section 2.3 (Convertible Shares), Section 2.4 (Authority of the Companies), Section 2.8 (Tax Matters), Section 2.12 (Employee Matters), Section 2.32 (Brokers), Section 2.33 (Environmental Matters), Section 3.1 (Title to Shares) and Section 3.2 (Authority of Sellers);

(ii) Losses relating to, caused by or resulting from the breach of the Sellers' representations and warranties of which a Seller Indemnified Party had knowledge at any time prior to the date on which such representation and warranty is made; and

(iii) Any claim made by the Buyer under the terms set forth in the Tax Deed.

(e) Calculation of Losses. Following the determination that a breach of a representation, warranty, covenant or agreement has occurred, for purposes of computing any Loss under

this Article VIII with respect to any representation, warranty, covenant or agreement that is qualified as to materiality by use of the terms "in all material respects," or words of substantially equivalent meaning, the amount of the Loss shall be the entire Loss arising by reason of the breach of such representation, warranty, covenant or agreement and not merely the amount of such Loss in excess of the minimum amount that would result in such representation, warranty, covenant or agreement being breached.

8.7 Escrow Fund. The obligations of the Sellers under Section 8.2 shall be satisfied first from an offset against any monies owed to the Sellers by Buyer, second from the monies held in escrow pursuant to the Escrow Agreement (the "Escrow Fund") and, if the Escrow Fund is thereafter inadequate to provide indemnification to Buyer as provided in Section 8.2, from the Sellers. The Escrow Fund shall be held by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement, and the Escrow Fund shall be (i) for the benefit of the Sellers and (ii) security for the Sellers' obligations to Buyer pursuant to the Transaction Documents.

8.8 Tax Treatment. The Parties agree that any indemnification payments made pursuant to this Agreement shall be treated for tax purposes, as between Buyer and the Sellers, as an adjustment to the Purchase Price, unless otherwise required by applicable law or taxing authority interpretations thereof.

#### ARTICLE IX. TERMINATION

9.1 Right to Terminate. This Agreement may be terminated and the purchase and sale of the Shares contemplated hereby may be abandoned at any time prior to the Closing:

- (a) by the mutual written consent of Buyer and the Sellers;
- (b) by Buyer if there shall have been a material breach of any representation or warranty by the Sellers set forth in this Agreement and such breach has not been waived;
- (c) by Buyer if there shall have been a material breach of any covenant or agreement on the part of the Sellers set forth in this Agreement, and the Sellers and the Companies have received written notice of such breach and failed to cure such breach within five (5) business days following receipt of notice of such breach and such breach has not been waived;
- (d) by the Sellers if there shall have been a material breach of any representation or warranty by Buyer set forth in this Agreement and such breach has not been waived;
- (e) by the Sellers if there shall have been a material breach of any covenant or agreement on the part of Buyer set forth in this Agreement, and Buyer has received written notice of such breach and failed to cure such breach within five (5) business days following receipt of notice of such breach and such breach has not been waived;
- (f) by either Buyer or the Sellers:
  - (i) if a Governmental or Regulatory Authority shall have issued an

order, decree or ruling or taken any other action (which order, decree, ruling or action the parties hereto shall use their best efforts to lift or dissolve), in each case restraining, enjoining or otherwise prohibiting the purchase and sale of the Shares or the other transactions contemplated hereby or attempting to do the same; or

(ii) if the Closing shall not have occurred on or before July 30, 2008; provided, however, that the right to terminate this Agreement shall not be available to any party whose material breach of this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date.

**9.2 Procedure and Effect of Termination.** In the event of the termination of this Agreement and the abandonment of the purchase and sale of the Shares pursuant to Section 9.1 hereof, written notice thereof shall forthwith be given to the other parties to this Agreement and this Agreement shall terminate and the purchase and sale of the Shares shall be abandoned, without any further action by any of the parties hereto. If this Agreement is terminated as provided herein:

(i) upon request therefore, each party will redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same; and

(ii) no party hereto shall have any liability or further obligation to any other party to this Agreement resulting from such termination, except (i) that the provisions of this Section 9.2 and Section 10.11 shall remain in full force and effect, and (ii) to the extent that any such termination results from the breach by such party of any of its representations, warranties, covenants or agreements set forth in this Agreement, the other party may recover its out-of-pocket costs in connection with the preparation and negotiation of this Agreement, and all other related transactional expenses.

## ARTICLE X. GENERAL PROVISIONS

10.1 **Publicity.** No party shall issue a press release or make any other public announcement concerning the transactions contemplated hereby before or after the Closing without the prior written consent of the Buyer and the Sellers, which consent shall not be unreasonably withheld, conditioned or delayed, except to the extent required by Legal Requirements or any applicable reporting covenants under outstanding indebtedness of Buyer or its Affiliates ("Reporting Obligations"); provided that, to the extent any such disclosure is required by any Legal Requirement or any Reporting Obligations, the party intending to make such release shall, subject to and consistent with such Legal Requirement or Reporting Obligations, consult with the other party with respect to the text thereof.

10.2 **Notices.** Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid, and shall be deemed given when so delivered personally or sent by facsimile transmission or if mailed, five (5) days after the date of mailing, as follows:

(i) if to Buyer, to:

Cengage Learning, Inc.  
200 First Stamford Place, 4th Floor  
Stamford, Connecticut 06902  
Attn: Kenneth A. Carson, General  
Counsel  
Facsimile No.: 203-965-8509

with a copy to:

Edwards Angell Palmer & Dodge LLP  
Three Stamford Plaza  
301 Tresser Blvd.  
Stamford, CT 06901  
Attn: Thomas J. Freed, Esq.  
Facsimile No.: 888-325-9077

(ii) if to the Sellers, to:

c/o Stephen A. Gatlin  
3307 Princeton Avenue  
Highland Park, TX 75205-3313

with a required copy constituting notice to  
Sellers to:

Shannon, Gracey, Ratliff & Miller, L.L.P.  
777 Main Street, Suite 3800  
Fort Worth, TX 76102  
Attn: Richard A. Lowe  
Facsimile No.: 817-336-3735

Any party may, by notice given in accordance with this Section 10.2 to the other party, designate another address or person for receipt of notices hereunder.

10.3 Delivery of Notices. The failure of any Party to make a timely delivery of notice or any other delivery provided for in this Agreement shall not relieve the receiving Party from any of its obligations hereunder except to the extent that the receiving Party is actually harmed thereby.

10.4 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) and the other Transaction Documents contain the entire agreement among the parties with respect to the purchase of the Shares and related transactions and supersede all prior agreements, written or oral, with respect thereto.

10.5 Waivers and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties hereto or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

10.6 Exhibits and Schedules. The Exhibits and Schedules to this Agreement are a part of this Agreement as if set forth in full herein.

10.7 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

10.8 Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute a single document. Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by facsimile transmission or PDF file shall be deemed to constitute signed original counterparts hereof and shall bind the parties signing and delivering in such manner.

10.9 Construction and Interpretation. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require. In addition, references to any legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official, or any legal concept in respect of any jurisdiction other than Delaware are deemed to include what most nearly approximates the meaning of such legal term in such non-Delaware jurisdiction. References to "capital stock" shall, in respect of GI, be deemed to refer to "shares". The parties acknowledge and agree that this Agreement has been freely negotiated and shall be deemed to have been drafted by the parties jointly. Accordingly, no court should construe any provision for or against any party as a result of such party being involved in the drafting of this Agreement.

10.10 Assignment. This Agreement is not assignable except by operation of law except that Buyer may assign any or all of its rights, together with its obligations hereunder, to any of its affiliates or to any successor to all or a portion of the assets of Buyer.

10.11 Governing Law. This Agreement shall be governed by the laws of the State of Delaware applicable to agreements made and to be performed within such State, without giving effect to such State's conflicts of laws provisions.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

**BUYER:**

**CENGAGE LEARNING ACQUISITIONS, INC.**

By: Sharon Weinstock  
Name: Sharon Weinstock  
Title: Vice President and Assistant ~~Secretary~~  
*SECRETARY*

**SELLERS:**

\_\_\_\_\_  
Stephen A. Gatlin

**GATLIN HOLDINGS, LLC**

By: \_\_\_\_\_  
Name:  
Title:


IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

**BUYER:**

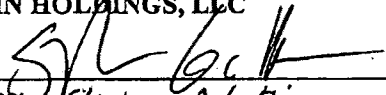
**CENGAGE LEARNING ACQUISITIONS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**SELLERS:**

  
\_\_\_\_\_  
Stephen A. Gatlin

**GATLIN HOLDINGS, LLC**

By:   
Name: Stephen A. Gatlin  
Title: President

List of Exhibits

Exhibit A – Sellers and Allocation Among Companies  
Exhibit B – Form of Opinion of Counsel  
Exhibit C – Form of Escrow Agreement  
Exhibit D – Form of Reseller Agreement  
Exhibit E – Tax Deed  
Exhibit F – Domain Name Assignment

List of Schedules

Schedule 2.1(a) Qualifications to do Business (GES and GL)  
Schedule 2.1(b) Qualifications to do Business (GI)  
Schedule 2.2(a) Shares  
Schedule 2.6(a) Financial Statements  
Schedule 2.6(b) Accounting Principles  
Schedule 2.8(a) Tax Returns (GES and GL)  
Schedule 2.8(b) Accruals for Taxes (GES and GL)  
Schedule 2.8(g) Distributions  
Schedule 2.8(j) GI Taxes  
Schedule 2.8(k) Accrual of Taxes (GI)  
Schedule 2.8(n) GI Transactions  
Schedule 2.9(b) Permits  
Schedule 2.9(d) Privacy Policies  
Schedule 2.10 No Breach  
Schedule 2.11 Litigation  
Schedule 2.12(a) Employees  
Schedule 2.12(c) Employment Agreements and Change of Control Arrangements  
Schedule 2.12(d) Loans to Employees  
Schedule 2.12(f)(v) Terminated Employees  
Schedule 2.13 Contractor Matters  
Schedule 2.14(a) Agreements  
Schedule 2.14(b) Consents  
Schedule 2.15 Real Estate  
Schedule 2.17(a) Tangible Property  
Schedule 2.17(b) Personal Property Leases  
Schedule 2.18(a) Company Intellectual Property  
Schedule 2.18(b) Customer Licenses  
Schedule 2.18(g) Internet Protocol Addresses  
Schedule 2.18(h) Compiler Software  
Schedule 2.18(i) Open-Source Software  
Schedule 2.19 Products  
Schedule 2.20(a) Customer and Supplier List  
Schedule 2.20(c) Pricing Policies and Price Lists  
Schedule 2.20(d) Financial Interests  
Schedule 2.21 Encumbrances  
Schedule 2.25(a) Employee Benefit Plans, including Section 409A Plans  
Schedule 2.26 Insurance  
Schedule 2.27 Officers and Directors

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Schedule 2.28	Operations of the Companies
Schedule 2.29	Banks, Brokers and Proxies
Schedule 2.31	Affiliate Relationships
Schedule 2.32	No Broker
Schedule 6.2(d)	Certain Employees
Schedule 6.8(a)	Transferred Employees
Schedule 7.1(y)	Agreements to be Amended

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## ANNEX I

"280G Approval" has the meaning set forth in Section 6.11.

"AeX" has the meaning set forth in Section 2.35.

"Academic eXplorer Holdback" means the funds held back by Buyer on behalf of Stephen A. Gatlin for the sole purpose of funding his obligations to pay all amounts payable by GES under the Academic eXplorer Agreement.

"Academic eXplorer Agreement" has the meaning set forth in Section 1.2(e).

"Affiliate" has the meaning ascribed to it in Rule 405 promulgated under the Shares Act of 1933, as amended.

"Agreement" has the meaning set forth in the Recitals.

"Alternative Transaction" has the meaning set forth in Section 5.2.

"Apartment Lease" has the meaning set forth in Section 1.2(d).

"Apartment Lease Holdback" means the funds held back by Buyer on behalf of Stephen A. Gatlin for the sole purpose of funding his obligations to pay all amounts payable by GES under, or related to, the Apartment Lease.

"Basket" has the meaning set forth in Section 8.6(a).

"Business" has the meaning set forth in the Recitals.

"Buyer" has the meaning set forth in the Recitals.

"Buyer Indemnified Party" has the meaning set forth in Section 8.2.

"C Short Year" has the meaning set forth in Section 5.7(f).

"Claims" has the meaning set forth in Section 6.3.

"Closing" has the meaning set forth in Section 1.5.

"Closing Date" has the meaning set forth in Section 1.5.

"Closing Payment" has the meaning set forth in Section 1.2(d).

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder, or corresponding provisions of future laws.

"COBRA" has the meaning set forth in Section 2.25(b).

"Company" and "Companies" has the meaning set forth in the Recitals.

"Company Benefit Plan" has the meaning set forth in Section 2.25(a).

"Company Intellectual Property" has the meaning set forth in Section 2.18(a).

"Contractors" has the meaning set forth in Section 2.13.

"Dispute Notice" has the meaning set forth in Section 8.5.

"Effective Time" has the meaning set forth in Section 1.5.

"Employee Benefit Plan" has the meaning set forth in Section 2.25(a).

"Employee Loans" has the meaning set forth in Section 2.12(d).

"Employees" has the meaning set forth in Section 2.12(a).

"Employment Agreements" has the meaning set forth in Section 2.12(c).

"Encumbrances" has the meaning set forth in Section 1.1.

"ERISA" has the meaning set forth in Section 2.25(a).

"ERISA Affiliates" has the meaning set forth in Section 2.25(e).

"Escrow Agent" has the meaning set forth in Section 7.1(l).

"Escrow Agreement" has the meaning set forth in Section 7.1(l).

"Escrow Amount" has the meaning set forth in Section 1.2(a).

"Escrow Fund" has the meaning set forth in Section 8.7.

"Estimated Indebtedness Payoff Amount" has the meaning set forth in Section 1.4.

"Financial Statements" has the meaning set forth in Section 2.6(a).

"FLSA" has the meaning set forth in Section 2.12(b).

"Foreign Plan" has the meaning set forth in Section 2.25(k).

"Governmental or Regulatory Authority" means any court, tribunal, arbitrator, authority, agency, bureau, board, commission, department, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision and shall include any stock exchange, quotation service and the NASD.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" has the meaning set forth in Section 2.22.

"Indebtedness Certificate" has the meaning set forth in Section 1.4.

"Indemnification Notice" has the meaning set forth in Section 8.5.

"Indemnifying Party" has the meaning set forth in Section 8.4.

"Indemnitee" has the meaning set forth in Section 8.4.

"Reseller Agreement" has the meaning set forth in Section 7.1(o).

"Leased Property" has the meaning set forth in Section 2.15.

"Leases" has the meaning set forth in Section 2.15.

"Legal Requirements" means, with respect to any Person, all foreign, federal, state and local statutes, laws, ordinances, judgments, decrees, orders, rules, regulations, policies and guidelines applicable to such Person, including the Foreign Corrupt Practices Act of 1977, as amended, and the regulations promulgated thereunder, the regulations promulgated by the General Services Administration and the laws and the regulations relating to export controls.

"Losses" has the meaning set forth in Section 8.2.

"Material Adverse Change" has the meaning set forth in Section 2.7.

"Most Recent Financial Statements" has the meaning set forth in Section 2.6(a).

"North America" means Canada, the United States and the territories of the United States.

"Open-Source Software" has the meaning set forth in Section 2.18(i).

"Party" and "Parties" have the meanings set forth in the Recitals.

"Permits" has the meaning set forth in Section 2.9(b).

"Permitted Liens" has the meaning set forth in Section 2.21.

"Person" has the meaning set forth in Section 2.3.

"Personal Property Leases" has the meaning set forth in Section 2.17.

"Products" has the meaning set forth in Section 2.19.

"Purchase Price" has the meaning set forth in Section 1.2.

"Releasees" has the meaning set forth in Section 6.3.

"Requisite Regulatory Approval" has the meaning set forth in Section 7.1(c).

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"Restricted Parties" has the meaning set forth in Section 6.2(a).

"Restricted Period" has the meaning set forth in Section 6.2(a).

"SAG Loan" means any loan made by GES to Stephen A. Gatlin plus accrued interest thereon.

"S Election" has the meaning set forth in Section 5.7(f).

"Section 409A Plan" has the meaning set forth in Section 2.25(a).

"Seller Indemnified Party" has the meaning set forth in Section 8.3.

"Sellers" has the meaning set forth in the Recitals.

"Sellers' Cap" has the meaning set forth in Section 8.6(b).

"Sellers' Transaction Expenses" has the meaning set forth in Section 6.1.

"Shares" has the meaning set forth in the Recitals.

"S Short Year" has the meaning set forth in Section 5.7(f).

"S Termination Year" has the meaning set forth in Section 5.7(f)

"Taxes" (or "Tax" or "Taxation" where the context requires) means all federal, state, county, local, foreign and other taxes (including, without limitation, income, profits, gains, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, stamp duty reserve tax, stamp duty land tax, capital gains tax, value added tax, national insurance contributions, duties of custom and excise, severance, capital levy, production, transfer, withholding, employment, unemployment compensation, payroll-related and property taxes, import duties and other governmental charges and assessments), whether or not measured in whole or in part by net income, and including any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provisions of foreign, state or local law) as a transferee or successor, by contract or otherwise and any deficiencies, interest, charges, additions to tax or interest and penalties with respect thereto.

"Tax Returns" means all returns, declarations, reports, claims for refunds, forms, estimates, information returns and statements required to be filed in respect of any Taxes to be supplied to a taxing authority in connection with any Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Territory" has the meaning set forth in Section 6.2(a).

"Transaction Documents" has the meaning set forth in Section 2.4.

"Transferred Employees" has the meaning set forth in Section 6.8(a).

"Treasury Regulations" means the Regulations promulgated under the Internal Revenue Code of 1986, as amended (or corresponding future law), or corresponding future regulations.

"UK. Financial Statements" has the meaning set forth in Section 2.6(a).

"U.S. Financial Statements" has the meaning set forth in Section 2.6(a).

"UK Most Recent Financial Statements" has the meaning set forth in Section 2.6(a).

"U.S. Most Recent Financial Statements" has the meaning set forth in Section 2.6(a).

"VAT" means value added tax as provided for in VATA.

"VATA" means the Value Added Tax Act 1994.

"Wire Direction Letter" has the meaning set forth in Section 1.2.

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