

D

Fl
Ex
OK

07-17-2000



101405167

06-20-2000

U.S. Patent & TMO/ TM Mail Rept Dt. #70

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

6.20.00

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

Submission Type

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

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

07/14/2000 ASCOTT 00000092 1536188

01 FC:481

40.00 OP

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

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

TRADEMARK
REEL: 002102 FRAME: 0474

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

N/A

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

404/ 504-7713

Name

Richard L. Haury, Jr., Esq. c/o Morris Manning & Martin, LLP

Address (line 1)

1600 Atlanta Financial Center

Address (line 2)

3343 Peachtree Road, NE

Address (line 3)

Atlanta, Georgia 30326

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

53

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

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

Trademark Application Number(s)

Registration Number(s)

1536188

Number of Properties

Enter the total number of properties involved.

#

1

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

40.00

Method of Payment:

Enclosed

Deposit Account

Deposit Account

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

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

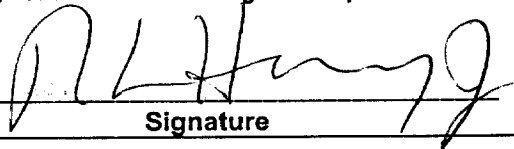
No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Richard L. Haury, Jr., Esq.

Name of Person Signing



Signature

Date Signed

ASSET PURCHASE AGREEMENT

DATED AS OF FEBRUARY 29, 2000,

BY AND AMONG

PRACTICE OUTLOOK, INC.,

THOMAS R. SPRAWLS,

HELEN G. T. SPRAWLS,

INFOCURE SYSTEMS, INC. AND

INFOCURE CORPORATION

0602725.05

TRADEMARK
REEL: 002102 FRAME: 0476

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the 29th day of February, 2000 (the "Effective Time"), by and among **Practice Outlook, Inc.**, an Arizona corporation (the "Seller"), **Thomas R. Sprawls and Helen G. T. Sprawls**, husband and wife, individual residents of the State of Arizona, as their community property (collectively, the "Shareholders") **InfoCure Systems, Inc.**, a Georgia corporation (the "Buyer") and **InfoCure Corporation**, a Delaware corporation ("InfoCure"). Seller, Shareholders, Buyer and InfoCure are referred to collectively herein as the "Parties."

RECITALS:

A. Seller is engaged, among other businesses, in that certain dental practice management systems business known as "Practice Outlook" (the "Acquired Business").

B. Shareholders own one hundred percent (100%) of the issued and outstanding shares of the capital stock of Seller, consisting of four hundred thousand (400,000) shares.

C. On the terms and subject to the conditions set forth herein, the Parties desire to enter into this Agreement, pursuant to which Buyer will purchase from Seller and Seller will sell to Buyer, substantially all of Seller's assets and properties relating to the Acquired Business, and Buyer agrees to assume certain identified liabilities of Seller relating to the Acquired Business.

D. Many of the capitalized terms used in this Agreement are defined in Section 10. of this Agreement.

COVENANTS:

In consideration of the mutual representations, warranties and covenants and subject to the conditions herein contained, the parties hereto agree as follows:

1. Purchase and Sale of the Assets.

1.1. Purchased Assets. On the terms and subject to the conditions contained in this Agreement, on the Closing Date (as hereinafter defined), Buyer shall purchase from Seller, and Seller shall sell, assign and deliver to Buyer, the Purchased Assets (as hereinafter defined), free and clear of all Encumbrances. The term "Purchased Assets" shall mean all the assets, properties, rights, titles and interests of every kind and nature, whether tangible or intangible, and wherever located and by whomever possessed, related to the Acquired Business as of the Effective Time (the "Purchased Assets") including, without limitation, all of the following assets (but excluding all "Excluded Assets" as defined in Section 1.2.):

1.1.1. All cash and cash equivalents on hand on the Closing Date and in banks, certificates of deposit, commercial paper, stocks, bonds and other liquid investments;

1.1.2. All prepayments and prepaid expenses (including, without limitation, any and all prepaid insurance, lease payments and deposits and customer deposits) (the "Prepayments");

1.1.3. All inventories, work in process and supplies;

1.1.4. All rights existing under all supply and distribution agreements and arrangements, sales and purchase agreements and orders (including unfilled orders for products and services of the Acquired Business), customer contracts and license agreements, real and personal property leases, license agreements, consulting agreements, confidentiality and non-disclosure agreements, including, without limitation, such agreements with current or prior customers and current or prior employees, agents, officers and directors ("Confidentiality Agreements"), and under all other contracts, agreements and arrangements, but only to the extent the foregoing are assignable or transferable to Buyer;

1.1.5. All lists and records pertaining to customer accounts (whether past or current), suppliers, distributors, personnel and agents and all other books, ledgers, files, documents correspondence and business records; provided that Seller shall be given copies of these records upon request, as such records exist as of the Effective Time;

1.1.6. All claims, deposits, warranties, guarantees, refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature, other than those relating exclusively to Excluded Assets or Excluded Liabilities (each as defined below);

1.1.7. All Owned Software, all of Seller's interest in Customer Software, all of Seller's interest in Other Software, all Intangibles owned by Seller, and all of Seller's interest in all Intangibles not owned by Seller, as those terms are defined in Section 3.22. hereof, together with all copies and tangible embodiments of the foregoing (in whatever form or medium and including, without limitation, all copies of all or any part thereof, in object code, source code or other format, and in all magnetic or optical media);

1.1.8. All permits, licenses, franchises, orders, registrations, certificates, variances, approvals and similar rights necessary for the conduct of the Acquired Business obtained from governments and governmental agencies and all data and records pertaining thereto;

1.1.9. All insurance, warranty and condemnation proceeds received after the Closing Date with respect to damage, non-conformances of or loss to the Purchased Assets;

1.1.10. All rights to receive mail and other communications addressed to Seller and relating to the Purchased Assets including, without limitation, accounts receivable payments;

1.1.11. All fixed assets, furniture, equipment and other tangible personal property, whether owned, leased or otherwise (including, without limitation, items which, have been fully depreciated or expensed), including, without limitation, the assets which are set forth on **Schedule 1.1.11** attached hereto;

1.1.12. All books, records, ledgers, files, documents, correspondence, lists, studies and reports and other printed or written materials;

1.1.13. All accounts, notes and other receivables, including, without limitation, all receivables from any current or former employee of Seller (collectively, the "Receivables"); and

1.1.14. All goodwill as a going concern and associated with the items listed above (including, without limitation, the goodwill associated with (i) the items referred to in subsections 1.1.7. and 1.1.8. above and (ii) all telephone numbers, facsimile numbers and web pages owned and used by Seller in the Acquired Business).

1.2. Excluded Assets. Notwithstanding the foregoing, the following assets are expressly excluded from the purchase and sale contemplated hereby (the "Excluded Assets") and, as such, are not included in the Purchased Assets:

1.2.1. Seller's rights under or pursuant to this Agreement (including, without limitation, Seller's rights to the Purchase Price);

1.2.2. Seller's general ledger, accounting records, minute books and corporate seal; provided that Buyer shall be given copies upon request of the general ledger and accounting records, as such documents exist as of the Closing Date;

1.2.3. Any right to receive mail and other communications addressed to Seller relating exclusively to the Excluded Assets or to all liabilities other than the Assumed Liabilities (as defined in Section 2.2. below); and

1.2.4. Those assets of Seller which are set forth on Schedule 1.2.4.

2. **Purchase Price; Assumption of Liabilities; Closing.**

2.1. Amount of Purchase Price. In consideration for the purchase of the Purchased Assets, Buyer agrees to assume the Assumed Liabilities and to pay Seller an amount (the "Base Consideration Amount") equal to the sum of Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) plus the Market Value of the Stock (as defined in Section 2.1.1.B. below).

The "Purchase Price" shall be equal to the sum of the Assumed Liabilities and the Base Consideration Amount.

2.1.1. Payment of the Base Consideration Amount. The Base Consideration Amount shall be paid as follows:

A. Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) in cash by wire transfer at Closing.

B. Delivery to Seller of share certificates representing one hundred twenty-seven thousand six hundred sixty (127,660) shares of InfoCure's \$.001 par value voting

common stock (the "Stock"). The Market Value of the Stock means the value of the Stock at closing using the closing price for the Stock as reported on NASDAQ on the day immediately preceding the Closing Date, which value is Two Million Three Hundred Eighty-Five thousand Six Hundred Forty-Six and 25/100 Dollars (\$2,385,646.25).

2.1.2. Escrow Agreement. As security for the indemnities provided herein by Seller and Shareholders, Seller shall deposit in escrow with the escrow agent named in the Escrow Agreement attached hereto as Exhibit A a total of twenty-seven thousand six hundred sixty (27,660) shares of the stock (which shall be deducted from the stock portion of the Base Consideration Amount referenced in Section 2.1.1.B. above).

2.2. Assumed Liabilities. Buyer agrees to and shall at the Closing assume and agree to pay, discharge and perform when lawfully due only those liabilities, contracts, commitments and other obligations of Seller that are listed on Schedule 2.2 hereto (the "Assumed Liabilities").

2.3. Excluded Liabilities. Except for the Assumed Liabilities set forth in Section 2.2., Buyer shall not assume, and shall have no liability for, any debts, liabilities, obligations, expenses, taxes, contracts or commitments of the Seller or the Acquired Business of any kind, character or description, whether accrued, absolute, contingent or otherwise, arising out of any act or omission occurring or state of facts existing prior to or on the Closing Date including, but not limited to, all liabilities of Seller for federal, state, local or foreign taxes attributable to the operations of the Acquired Business for any taxable year or portion thereof ending prior to the Closing Date, arising out of the conduct of the Acquired Business prior to the Closing Date (collectively the "Excluded Liabilities" and individually an "Excluded Liability"). Seller shall remain fully liable for the Excluded Liabilities.

2.4. Allocation of the Purchase Price. The Purchase Price shall be allocated among each item or class of the Purchased Assets in accordance with Schedule 2.4 hereto. Seller and Buyer agree that they will prepare and file their federal and state or local income tax returns based on such allocation of the Purchase Price. Seller and Buyer agree that they will prepare and file any notices or other filings required pursuant to Section 1060 of the Code, and that any notices or filings will be prepared based on such allocation of the Purchase Price.

2.5. Time and Place of the Closing. The closing of the purchase and sale of the Purchased Assets shall take place at Morris, Manning & Martin, L.L.P., Atlanta, Georgia, on February 29, 2000. Throughout this Agreement, such event is referred to as the "Closing" and such date and time are referred to as the "Closing Date."

2.6. Procedure at the Closing. At the Closing, the parties agree to take the following steps in the order listed below (provided, however, that upon their completion all such steps shall be deemed to have occurred simultaneously):

2.6.1. Seller and Shareholders shall deliver to Buyer a Certificate in the form of Exhibit B hereto, certifying that each of the conditions to the obligation of Buyer to purchase the Purchased Assets from Seller which is set forth in Section 6. of this Agreement has been satisfied.

2.6.2. Buyer and InfoCure shall each deliver to Seller a Certificate in the form of **Exhibit C** hereto, certifying that each of the conditions to the obligations of Seller to sell the Purchased Assets to Buyer which is set forth in Section 7. in this Agreement has been satisfied.

2.6.3. Seller shall deliver to Buyer such deeds, bills of sale, endorsements, assignments, lease assignments and estoppel agreements (duly executed by the lessor under the leases) and other instruments, including a Bill of Sale in the form of **Exhibit D** hereto, as shall be sufficient to vest in Buyer good and marketable title to the Purchased Assets, free and clear of all Encumbrances.

2.6.4. Buyer shall pay to Seller the Purchase Price (less amounts to be escrowed pursuant to Section 2.1.2.) by wire transfer in accordance with the Wire Transfer Instructions attached hereto as **Exhibit E**.

2.6.5. Buyer shall deliver to Seller instruments, in the form of **Exhibit F** hereto, as shall be sufficient to effect the assumption by Buyer of the Assumed Liabilities.

3. Representations and Warranties of Seller and Shareholders.

In order to induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereunder, Seller and Shareholders, jointly and severally, make the following representations and warranties as of the date hereof and as of the Closing Date:

3.1. Organization, Good Standing, Corporate Power and Subsidiaries.

A. **Schedule 3.1** of the Disclosure Schedule contains a complete and accurate list of Seller's name, its jurisdiction of incorporation, other jurisdictions in which it is authorized to do business, and its capitalization (including the identity of each shareholder and the number of shares held by each).

Seller is a corporation duly organized, validly existing, and in good standing under the laws of Arizona, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under its Contracts.

Seller is duly qualified or licensed to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified or licensed would not result in a Seller Material Adverse Effect.

B. Seller has delivered to Buyer copies of the Organizational Documents of Seller, as currently in effect.

C. Seller does not own, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, joint venture or other entity.

3.2. Authority; No Conflict.

A. Seller has the corporate right, power, legal capacity and authority to enter into and perform its obligations under this Agreement and all agreements to which Seller is or will be a party that are required to be executed pursuant to this Agreement (the "Seller Ancillary Agreements") and to consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements have been duly and validly approved by Seller's Board of Directors and the Shareholders, as required by applicable law.

This Agreement and the Seller Ancillary Agreements are, or when executed and delivered by Seller will be, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as to the effect, if any, of (i) applicable bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies; provided, however, that the Seller Ancillary Agreements will not be effective until the Closing Date.

Seller has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and the Seller Ancillary Agreements and to perform its obligations under this Agreement and the Seller Ancillary Agreements.

B. Except as set forth in Schedule 3.2 of the Disclosure Schedule, neither the execution and delivery of this Agreement and the Seller Ancillary Agreements nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) Contravene, conflict with, or result in a violation of (1) any provision of the Organizational Documents of Seller or (2) any resolution adopted by the Board of Directors or the Shareholders;

(ii) Contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Seller, or any of the assets owned or used by Seller, may be subject;

(iii) Contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by Seller or that otherwise relates to the business of, or any of the assets owned or used by Seller;

(iv) Contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Contract to which Seller is a party; or

(v) Result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by Seller.

C. Except as set forth in Schedule 3.2 of the Disclosure Schedule, Seller is not or will not be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement and the Seller Ancillary Agreements or the consummation or performance of any of the Contemplated Transactions.

3.3. Capitalization. The total authorized capital stock of Seller consists of (1,000,000) shares of Common Stock no par value per share, of which four hundred thousand (400,000) shares are issued and outstanding as of the Closing Date, and all of which issued and outstanding shares of the Seller Common Stock are held of record and owned by Thomas R. Sprawls.

All of the outstanding equity securities of Seller have been duly authorized and validly issued and are fully paid and nonassessable. There are no Contracts relating to the issuance, sale, or transfer of any equity securities or other securities of Seller.

None of the outstanding equity securities or other securities of Seller were issued in violation of the Securities Act or applicable state securities laws. Seller does not own, nor does it have any Contract to acquire, any equity securities or other securities of any Person (other than the Seller) or any direct or indirect equity or ownership interest in any other business.

There are no stock appreciation rights, options, warrants, conversion privileges or pre-emptive or other rights or agreements outstanding to purchase or otherwise acquire any of Seller's capital stock; there are no options, warrants, conversion privileges or pre-emptive or other rights or agreements to which Seller is a party involving the purchase or other acquisition of any share of Seller's capital stock; there is no liability for dividends accrued, but unpaid; and there are no voting agreements, right of first refusal or other restrictions (other than normal restrictions on transfer under applicable federal and state securities laws) applicable to any of Seller's outstanding securities.

3.4. Financial Statements. Seller has delivered to Buyer and InfoCure, as set forth on Schedule 3.4, its internally prepared unaudited balance sheet of Seller as of December 31, 1999, December 31, 1998, December 31, 1997, December 31, 1996 and December 31, 1995, and the related statements of income for the twelve (12) month periods ended December 31, 1999, December 31, 1998 and December 31, 1997 (collectively, the "Financial Statements").

The Financial Statements have been prepared on a cash basis and fairly present the financial condition and the results of operations of Seller as of the date of and for the periods referred to in the Financial Statements.

No financial statements of any Person, other than Seller, are required by GAAP to be included in the Financial Statements of Seller.

3.5. Books and Records. The books of account, minute books, stock record books, and other records of Seller, all of which have been made available to Buyer and InfoCure, are, in all material respects, complete and correct and have been maintained in accordance with sound business practices.

The minute books of Seller contain accurate and complete records of all meetings held of, and significant corporate action taken by, the shareholders, the Board of Directors, and committees of the Board of Directors of Seller, and no material action has been taken at any meeting for which minutes have not been prepared and are not contained in such minute books, not otherwise ratified by the Shareholders.

3.6. Real Property Interests. Seller owns no real property. Schedule 3.6 of the Disclosure Schedule contains a complete and accurate list of all leaseholds or other interests in real property of Seller. Seller has delivered or made available to Buyer and InfoCure copies of the lease agreements and other instruments by which Seller acquired such leasehold and other real property interests.

3.7. Good Title to and Condition and Sufficiency of Assets. Seller has good and assignable title to all of the Purchased Assets, free and clear of all Encumbrances. Except as set forth on Schedule 3.7 of the Disclosure Schedule, to the Seller's and Shareholders' Knowledge, the buildings, plants, structures and equipment of Seller currently in use by the Seller are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are currently being put.

3.8. Accounts Receivable. All accounts receivable of Seller that are reflected in Schedule 3.8 and in the accounting records of Seller as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the Ordinary Course of Business.

Unless paid prior to the Closing Date and except as set forth on Schedule 3.8, the Accounts Receivable are or will be as of the Closing Date current and collectible.

Subject to Schedule 3.8, each of the Accounts Receivable either has been or will be collected in full, without any set-off, within one hundred fifty (150) days on which it first becomes due and payable. To the Knowledge of Seller, there is no contest, claim, or right of set-off, other than returns in the Ordinary Course of Business, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable.

Schedule 3.8 of the Disclosure Schedule contains a complete and accurate list of all Accounts Receivable as of the close of business on January 28, 2000, which list sets forth the aging of such Accounts Receivable.

3.9. Inventory. All inventory of Seller, whether or not reflected in the Financial Statements, consists of a quality and quantity usable and salable in the Ordinary Course of Business, except for obsolete items and items of below-standard quality.

The quantities of each item of inventory (whether raw materials, work-in-process, or finished goods) are not excessive, but are reasonable in the present circumstances of Seller.

3.10. No Undisclosed Liabilities. Except as set forth in Schedule 3.10 of the Disclosure Schedule, or as otherwise disclosed in the Disclosure Schedule, Seller has no liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise)

except for liabilities or obligations reflected or reserved against in the Financial Statements and liabilities incurred in the Ordinary Course of Business since December 31, 1999.

3.11. Taxes.

A. Except as set forth on Schedule 3.11 to the Disclosure Schedule, Seller has timely filed all Tax Returns that it was required to file prior to the date hereof. All such Tax Returns were correct and complete in all material respects. Seller has paid in full all Taxes which have become due or which are attributable to the conduct of Seller's business prior to the date hereof. Seller is not the beneficiary of any extension of time within which to file any Tax Return.

Except as set forth on Schedule 3.11, Seller has no Knowledge of any Tax deficiency proposed or Threatened against Seller. There are no Tax liens upon any property or assets of Seller to secure the payment of any delinquent Taxes.

Except as set forth on Schedule 3.11, Seller has made all payments of Taxes when due in amounts sufficient to avoid the imposition of any penalty.

B. Except as set forth on Schedule 3.11, all Taxes and other assessments and levies which Seller was required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper Governmental Body.

C. Except as set forth in Schedule 3.11, the Tax Returns of Seller have never been audited by the IRS or other Governmental Body, nor are any such audits in process. Except as set forth in Schedule 3.11, there are no outstanding agreements or waivers extending the statute of limitations applicable to any Tax Returns of Seller for any period.

D. For federal income tax purposes, Seller has a taxable year ending on December 31 in each year.

E. Seller has not filed a consent under Code § 341(f) concerning collapsible corporations. Seller has not made any material payments, is not obligated to make any material payments, and is not a party to any agreement that under any circumstances could obligate it to make any material payments that will not be deductible under Code § 280G. Seller has not been a United States real property holding corporation within the meaning of Code § 897(c)(2) during the applicable period specified in Code § 897(c)(1)(A)(ii). Seller is not a party to any Tax allocation or sharing agreement. Seller (i) has not been a member of an affiliated group filing a consolidated federal income Tax Return and (ii) has no liability for the Taxes of any Person under Reg. § 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

3.12. No Material Adverse Change. Since December 31, 1999, there has not been any material adverse change in the business, operations, properties, assets, or financial condition of Seller, and no event has occurred and no circumstance exists that may result in such a material adverse change other than with respect to general domestic or international economic conditions.

3.13. Employee Benefits Matters.

A. **Schedule 3.13.1** lists all plans, programs, and similar agreements, commitments or arrangements (including, but not limited to, any bonus, profit sharing, pension, deferred compensation, stock option, stock purchase, fringe benefit, severance, post-retirement, scholarship, tuition reimbursement, disability, sick leave, vacation, commission, retention or other arrangements), whether oral or written, sponsored or maintained by or on behalf of, or to which contributions are or were made by, Seller and/or any ERISA Affiliate within the last seven (7) years that provide or provided benefits, compensation or other remuneration to, or for the benefit of, current or former employees of Seller and/or any ERISA Affiliate or any or any other individual who provides services to Seller and/or any ERISA Affiliate (including, but not limited to, any shareholder, officer, director, employee or consultant), or any spouse, child or other dependent of such current or former employee or other individual (“Plan” or “Plans”). Except as disclosed on **Schedule 3.13.1**, there are no other benefits to which any current or former employees of Seller and/or any ERISA Affiliate or any or any other individual who provides services to Seller and/or any ERISA Affiliate (including, but not limited to, any shareholder, officer, director, employee or consultant), or any spouse, child or other dependent of such current or former employee or other individual is entitled or for which Seller and/or any ERISA Affiliate has any obligation. Except as set forth on **Schedule 3.13.1**, only current employees of Seller participate in the Plans, except as required by I.R.C. § 4980B and/or ERISA §§ 601-609. Copies of all Plans and, to the extent applicable, all related trust agreements, actuarial reports, and valuations for the most recent three (3) years, all summary plan descriptions, prospectuses, Annual Report Form 5500’s or similar forms (and attachments thereto) for the most recent three (3) years, all Internal Revenue Service determination letters, and any related documents requested by Buyer and InfoCure, including all amendments, modifications and supplements thereto, all material employee and/or participant communications relating to each such Plan, and all insurance contracts, administrative services agreements or contracts, have been delivered to Buyer and InfoCure, and all of the same are true, correct and complete.

B. With respect to each Plan to the extent applicable:

(i) No litigation or administrative or other proceeding or investigation, claim, lawsuit, arbitration or other action is pending or Threatened involving such Plan or any administrator, fiduciary, employee, contributing employer, contractor or agent of such Plan, other than routine claims for benefits in the ordinary course for such Plan.

(ii) Such Plan has been administered and operated in compliance with, and has been amended to comply with, all applicable laws, rules, and regulations, including, without limitation, ERISA, the Code, and the regulations issued under ERISA and the Code.

(iii) Seller and ERISA Affiliates have made and as of the Closing Date will have made or accrued, all payments and contributions required, or reasonably expected to be required, to be made under the provisions of such Plan or required to be made under applicable laws, rules and regulations, with respect to any period prior to the Closing Date, such amounts to be determined using the ongoing actuarial and funding assumptions of the Plan if applicable.

(iv) Such Plan is fully funded in an amount sufficient to pay all liabilities (whether or not vested) accrued (including liabilities and obligations for health care,

life insurance and other benefits after termination of employment) and claims incurred to the date hereof.

(v) On the Closing Date such Plan will be fully funded in an amount sufficient to pay all liabilities (whether or not vested) accrued as of the Closing Date (including liabilities and obligations for health care, life insurance and other benefits after termination of employment) and claims incurred as of the Closing Date, or adequate reserves will be set up on Seller's books and records, or paid-up insurance will be provided, therefor.

(vi) Such Plan has been administrated and operated only in the ordinary and usual course and in accordance with its terms, and there has not been in the four (4) years prior hereto any increase in the liabilities of such Plan beyond increases typically experienced as a result of changes in the workforce or changes in the cost of insurance.

C. The parties hereto agree that Buyer and InfoCure shall have no liability with respect to any "Seller Controlled Group Plan." The preceding sentence applies to any liability (herein "Seller Controlled Group Plan Liabilities") with respect to a "Seller Controlled Group Plan," regardless of when or how such liability arose, regardless of whether such liability involves employees of the Acquired Business, and regardless of whether such liability may result in or has resulted in a claim upon the assets purchased under this Agreement. For purposes of this Agreement, the term "Seller Controlled Group Plan" shall mean each and every plan, agreement, arrangement, commitment, policy or understanding of any kind (whether written or oral) (i) which relate to present or former employees, directors, retirees, or independent contractors (or their beneficiaries, dependents or spouses) of the Seller or (ii) which are currently, were, or are expected to be, adopted, maintained by, sponsored by, or contributed to by, the Seller or as to which the Seller has any ongoing liability or obligation whatsoever, including, but not limited to, employee benefit plans as defined in ERISA § 3(3), deferred compensation, early retirement, incentive, profit-sharing, thrift, stock ownership, stock appreciation, bonus, stock option, stock purchase, welfare, nonqualified benefit, and fringe benefit plans as defined in Code § 6039D.

D. Solely for purposes of this Section 3.13., the term "Seller" shall be deemed to include any other corporation, trade, business or other entity, other than Seller, which would, together with Seller, now or in the past constitute a single employer within the meaning of Section 414 of the Code.

3.14. Compliance With Legal Requirements; Governmental Authorizations.

A. Except as set forth in Schedule 3.14 of the Disclosure Schedule or as otherwise disclosed in the Disclosure Schedule:

(i) Seller is, and at all times since December 31, 1996 has been, in substantial compliance with each Legal Requirement that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets except where the failure to comply with a Legal Requirement would not have a Seller Material Adverse Effect;

(ii) No event has occurred or circumstance exists that (with or without notice or lapse of time) (1) may constitute or result in a violation by Seller of, or a failure on the part of Seller to comply with, any Legal Requirement or (2) may give rise to any obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature except for events or circumstances which in the aggregate would not have a Seller Material Adverse Effect; and

(iii) Seller has not received, at any time since December 31, 1996, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (1) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement or (2) any actual, alleged, possible, or potential obligation on the part of Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

B. Schedule 3.14 of the Disclosure Schedule contains a complete and accurate list of each Governmental Authorization that is held by Seller or that otherwise relates to the business of, or to any of the assets owned or used by Seller and that, in each case, is material to the conduct of Seller's business. Each Governmental Authorization listed or required to be listed in Schedule 3.14 of the Disclosure Schedule is valid and in full force and effect. Except as set forth in Schedule 3.14 of the Disclosure Schedule:

(i) Seller is, and at all times since December 31, 1996 has been, in substantial compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 3.14 of the Disclosure Schedule;

(ii) No event has occurred or circumstance exists that may (with or without notice or lapse of time) (1) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 3.14 of the Disclosure Schedule or (2) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 3.14 of the Disclosure Schedule;

(iii) Seller has not received, at any time since December 31, 1996, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (1) any actual or alleged violation of or failure to comply with any term or requirement of any Governmental Authorization or (2) any actual or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) All applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 3.14 of the Disclosure Schedule have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

The Governmental Authorizations listed in **Schedule 3.14** of the Disclosure Schedule collectively constitute all of the Governmental Authorizations that are material to the conduct of Seller's business in the manner it is currently conducted and to operate such business and to permit Seller to own and use its assets in the manner in which it currently owns and uses such assets.

3.15. **Legal Proceedings; Orders.**

A. Except as set forth in **Schedule 3.15** of the Disclosure Schedule, there is no pending Proceeding:

(i) That has been commenced by or against Seller or, to the Knowledge of Seller and Shareholders, that otherwise relates to or may affect the business of, or any of the assets owned or used by Seller; or

(ii) That challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Contemplated Transactions.

To the Knowledge of Seller and Shareholders, (i) no such Proceeding has been Threatened and (ii) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding. Seller has delivered to Buyer and InfoCure copies of all pleadings, correspondence, and other documents relating to each Proceeding listed in **Schedule 3.15** of the Disclosure Schedule. The Proceedings listed in **Schedule 3.15** of the Disclosure Schedule will not have a Seller Material Adverse Effect.

B. Except as set forth in **Schedule 3.15** of the Disclosure Schedule:

(i) There is no Order to which Seller, or any of the assets owned or used by Seller, is subject; and

(ii) No officer, director, agent, or employee of Seller is subject to any Order that prohibits such officer, director, agent, or employee from engaging in or continuing any conduct, activity, or practice relating to the business of Seller.

C. Except as set forth in **Schedule 3.15** of the Disclosure Schedule:

(i) Seller is, and at all times since December 31, 1996 has been, in full compliance with all of the terms and requirements of each Order to which it, or any of the assets owned or used by it, is or has been subject, except where the failure to comply would not have a Seller Material Adverse Effect;

(ii) No event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any Order to which Seller, or any of the assets owned or used by Seller, is subject; and

(iii) Seller has not received, at any time since December 31, 1996, any written notice from any Governmental Body or any other Person regarding any actual or alleged violation of, or failure to comply with, any term or requirement of any Order to which Seller, or any of the assets owned or used by Seller, is or has been subject.

3.16. Absence of Certain Changes and Events. Except as set forth in Schedule 3.16 of the Disclosure Schedule, since October 31, 1999, Seller has conducted its business only in the Ordinary Course of Business and there has not been any:

A. Change in Seller's authorized or issued capital stock; grant of any stock option or right to purchase shares of capital stock of Seller; issuance of any security convertible into such capital stock; grant of any registration rights; purchase, redemption, retirement, or other acquisition by Seller of any shares of any such capital stock; or declaration or payment of any dividend or other distribution or payment in respect of shares of capital stock;

B. Amendment to the Organizational Documents of Seller;

C. Payment or increase by Seller of any bonuses, salaries, or other compensation to any shareholder, director, officer, or (except in the Ordinary Course of Business) employee or entry into any employment, severance, or similar Contract with any director, officer, or employee;

D. Adoption of, or substantial increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any employees of Seller;

E. Damage to or destruction or loss of any asset or property of Seller, whether or not covered by insurance that had a Seller Material Adverse Effect;

F. Entry into, termination of, or receipt of notice of termination of any Contract or transaction involving a total remaining commitment by or to Seller of at least Five Thousand and No/100 Dollars (\$5,000.00);

G. Sale (other than sales of inventory in the Ordinary Course of Business), lease, or other disposition of any asset or property of Seller or mortgage, pledge, or imposition of any lien or other encumbrance on any material asset or property of Seller, including the sale, lease, or other disposition of any of the Software and Intangibles;

H. Cancellation or waiver of any claims or rights with a value to Seller in excess of Five Thousand and No/100 Dollars (\$5,000.00);

I. Material change in the accounting methods used by Seller; or

J. Agreement, whether oral or written, by Seller to do any of the foregoing.

3.17. Contracts; No Defaults.

A. **Schedule 3.17(a)** of the Disclosure Schedule contains a complete and accurate list, and Seller has delivered to Buyer and InfoCure true and complete copies, of:

(i) Each Contract that involves performance of services or delivery of goods or materials by Seller of an amount or value in excess of Five Thousand and No/100 Dollars (\$5,000.00);

(ii) Each Contract that involves performance of services or delivery of goods or materials to Seller of an amount or value in excess of Five Thousand and No/100 Dollars (\$5,000.00);

(iii) Each Contract that was not entered into in the Ordinary Course of Business and that involves expenditures or receipts of Seller in excess of Five Thousand and No/100 Dollars (\$5,000.00);

(iv) Each lease, rental or occupancy agreement, license, installment and conditional sale agreement, and other Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than Five Thousand and No/100 Dollars (\$5,000.00) and with terms of less than one (1) year);

(v) Each licensing agreement or other Contract with respect to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any of the Software and Intangibles;

(vi) Each collective bargaining agreement and other Contract to or with any labor union or other employee representative of a group of employees;

(vii) Each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by Seller with any other Person;

(viii) Each Contract containing covenants that in any way purport to restrict the business activity of Seller or any Affiliate of Seller or limit the freedom of Seller or any Affiliate of Seller to engage in any line of business or to compete with any Person;

(ix) Each Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

(x) Each power of attorney relating to Seller that is currently effective and outstanding;

(xi) Each Contract entered into other than in the Ordinary Course of Business that contains or provides for an express undertaking by Seller to be responsible for consequential damages;

(xii) Each Contract for capital expenditures in excess of Five Thousand and No/100 Dollars (\$5,000.00);

(xiii) Each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by Seller other than in the Ordinary Course of Business; and

(xiv) Each amendment, supplement, and modification in respect of any of the foregoing.

B. Except as set forth in Schedule 3.17(b) of the Disclosure Schedule, to the Knowledge of Seller and Shareholders, no officer, director, agent, employee, consultant, or contractor of Seller is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (i) engage in or continue any conduct, activity, or practice relating to the business of Seller or (ii) assign to Seller or to any other Person any rights to any invention, improvement, or discovery.

C. Except as set forth in Schedule 3.17(c) of the Disclosure Schedule, each Contract identified or required to be identified in Schedule 3.17(a) of the Disclosure Schedule is in full force and effect.

D. Except as set forth in Schedule 3.17(d) of the Disclosure Schedule:

(i) Seller is, and at all times since December 31, 1998 has been, in full compliance with all material terms and requirements of each Contract under which Seller has or had any obligation or liability or by which Seller or any of the assets owned or used by Seller is or was bound;

(ii) Each other Person that has or had any obligation or liability under any Contract under which Seller has or had any rights is, and at all times since December 31, 1998 has been, in full compliance with all material terms and requirements of such Contract;

(iii) To the Knowledge of Seller and Shareholders, no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give Seller or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any material Contract; and

(iv) Seller has not given to or received from any other Person, at any time since December 31, 1999, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract.

E. There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to Seller under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

F. The Contracts relating to the sale, design, manufacture, or provision of products or services by Seller have been entered into in the Ordinary Course of Business and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of any Legal Requirement.

3.18. Insurance.

A. Set forth on Schedule 3.18(a) are:

(i) True and complete copies of all policies of insurance to which Seller is a party; and

(ii) True and complete copies of all pending applications for policies of insurance.

B. Except as set forth on Schedule 3.18(b) of the Disclosure Schedule:

(i) All policies to which Seller is a party or that provide coverage to Seller, or any director of Seller:

(1) Are in full force and effect, except as to matters or defaults which in the aggregate, would not have a Seller Material Adverse Effect;

(2) Taken together in the reasonable judgment of Seller, provide adequate insurance coverage for the assets and the operations of Seller for all risks to which Seller is normally exposed;

(3) Are sufficient for compliance with all Legal Requirements and Contracts to which Seller is a party or by which it is bound;

(4) Will continue in full force and effect following the consummation of the Contemplated Transactions; and

(5) Do not provide for any retrospective premium adjustment or other experienced-based liability on the part of Seller.

(ii) Seller has not received any notice of cancellation or other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

(iii) Seller has paid all premiums due and has otherwise performed all of its obligations under each policy to which Seller is a party or that provides coverage to Seller or any director thereof.

(iv) Seller has given notice to the insurer of all existing claims that may be insured thereby.

3.19. Environmental Matters. Except as set forth in Schedule 3.19 of the Disclosure Schedule, Seller has obtained and is in compliance with all permits, licenses and other authorizations (collectively, "Permits") required to do business by Environmental Requirements. To Seller's and Shareholders' Knowledge, there are no conditions, circumstances, activities, practices, incidents, or actions (collectively, "Conditions") resulting from the conduct of its business which Conditions may reasonably form the basis of any claim or suit against Seller based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling by Seller, or the emission, discharge, release or Threatened release by Seller into the environment, of any pollutant, contaminant, or hazardous or toxic materials, substances or wastes.

3.20. Employees.

A. Schedule 3.20.1 lists all of the employees and agents who on the date hereof perform services on a regular basis in the Acquired Business operations of or for Seller, and also lists each employee of agent's (i) department; (ii) current compensation; (iii) date of hire; (iv) vacation accrued; and (v) the sick days accrued. No such employee or agent has terminated or given notice of termination of his employment as of the date hereof, nor, to the knowledge of Seller, plans to refuse employment with Buyer after the Closing Date.

B. Prior to the Closing Date, Buyer may offer employment to commence on the Closing Date to any or all of the employees of the Seller related to the Acquired Business as it may determine. Buyer shall have full and absolute discretion in determining the terms, conditions and benefits relating to such employment. Nothing in this Agreement shall obligate Buyer or InfoCure to employ after the Closing Date any employee of Seller or to offer employment to any employee of Seller on the same terms and conditions or with the same benefits offered by Seller. Nothing in this Agreement shall create any claim or right on the part of any employee of Seller. Nothing in this Agreement shall create any claim or right on the part of any employee of Seller and no such employee shall be entitled to assert any claim or right hereunder. Seller and Buyer agree to reasonably cooperate regarding any written communications made to employees of Seller during the period from the date hereof until the Closing Date which relate to the transactions contemplated by this Agreement.

C. Except as otherwise provided in Section 2.2. above, Seller shall remain liable for all "Seller Employee Liabilities," regardless of when or how such liability arose, and regardless of whether such liability may result in or has resulted in a claim upon the Purchased Assets. For purposes of the preceding sentence, the term "Seller Employee Liabilities" shall mean any claims, liabilities, costs, expenses or compensation which exist, which arise by reason of, or which are in any way connected with or based on (i) an employee's employment relationship with Seller and/or the termination of such relationship; (ii) foreign, federal, state, county or municipal fair employment practices act and/or any law, ordinance or regulation promulgated by any foreign, federal, state, county, municipality or other state subdivision as applied to employees of Seller; (iii) interference with and/or breach of contract with employees of Seller; (iv) retaliatory or wrongful discharge of any employee of Seller; (v) intentional or negligent infliction of emotional distress or mental anguish upon employees of Seller; (vi) outrageous conduct with respect to employees of Seller; (vii) interference with business

relationships, contractual relationships or employment relationships involving employees of Seller and any third party; (viii) breach of duty, fraud, fraudulent inducement to contract, breach of right of privacy, libel, slander, or tortious conduct of any kind with respect to employees of Seller; (ix) violations of Title VII of the Civil Rights Act of 1964 and/or the Civil Rights Act of 1991 and/or 42 U.S.C. § 1981 with respect to employees of Seller; (x) violations of the Age Discrimination in Employment Act of 1967, the Age Discrimination Claims Assistance Act of 1988 and/or the Older Workers' Benefit Protection Act with respect to employees of Seller; (xi) violations of state or federal handicap or disability discrimination laws or acts, including, but not limited to, the Rehabilitation Act of 1973 and the Americans with Disabilities Act with respect to employees of Seller; (xii) discriminatory or wrongful acts against employees of Seller; (xiii) violations of ERISA or the Family and Medical Leave Act with respect to employees of Seller; (xiv) Seller's violations of the workers' compensation laws of any state or other jurisdiction; (xv) violations of any other federal, state, county or municipal law or regulation with respect to employees of Seller.

D. To the Knowledge of Seller and the Shareholders, Seller has complied with all applicable federal, state and local laws, rules and regulations and ordinances respecting health, safety and working conditions of its employees, including, without limitation, the Occupational Safety and Health Act of 1970, Pub. L. 91-596, as amended, and all similar applicable federal, state and local laws, rules, regulations and ordinances, and has provided Buyer with copies of all reports filed and notices provided under any such laws, rules, regulations and ordinances during the last five (5) years related to the Acquired Business.

E. To the Knowledge of Seller and the Shareholders, Seller's operations do not involve any unusual risk to the health or safety of its employees (including, without limitation, any risk associated with hazardous airborne contaminants or hazardous chemicals or waste materials).

F. Seller is not a party to any agreement, contract or arrangement, written or oral, providing for any payments to any person resulting from the consummation of the transactions contemplated hereby, except for payments to holders of shares of Seller's capital stock. Seller's obligation to make any such payments shall constitute Excluded Liabilities.

3.21. Government Contracts. Seller has no business contracts with any independent or executive agency, division, subdivision, audit group or procuring office of the federal government or of a state government, including any prime contractor of the federal government and any higher level subcontractor of a prime contractor of the federal government, and including any employees or agents thereof, in each case acting in such capacity.

3.22. Intellectual Property Rights of Seller.

A. Definitions. As used in this Agreement, and in addition to any other terms defined in this Agreement, the following terms shall have the following meanings.

(i) "Software" means any computer program, operating system, applications system, microcode, firmware or software of any nature, whether operational, under

development or inactive, including all object code, source code, technical manuals, compilation procedures, execution procedures, flow charts, programmers notes, user manuals and other documentation thereof, whether in machine-readable form, programming language or any other language or symbols and whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature.

(ii) "Owned Software" means all Software owned by Seller, whether purchased from a third party, developed by or on behalf of Seller, currently under development or otherwise.

(iii) "Customer Software" means all Software, other than the Owned Software, that is either (1) offered or provided by Seller, directly or through Distributors, to customers of Seller or (2) used by Seller to provide information or services to customers of Seller for a fee.

(iv) "Seller Software" means the Owned Software and the Customer Software.

(v) "Other Software" means all Software, other than Seller Software, that is licensed by Seller from third parties or otherwise used by Seller for any purpose whatsoever.

(vi) "Distributor" means Seller and any other person or entity that has been authorized by Seller to sell, license or offer to sell or license any Seller Software, other than an employee of Seller. Distributors may include, without limitation, value added resellers, original equipment manufacturers, dealers, sales agents, and distributors.

(vii) "Distributor Agreement" means a reseller agreement, sales agency agreement, VAR agreement, OEM agreement, distribution agreement, or other written or oral agreement or permission between Seller and a Distributor.

(viii) "Customer License Agreement" means a license agreement or other written or oral agreement or permission, other than a Distributor Agreement, by which Seller has granted to any third party any rights regarding Seller Software or any Intangibles thereof.

(ix) "Supplier License Agreement" means a license agreement or other written or oral agreement or permission by which a third party has granted to Seller any rights regarding any Software or any Intangibles thereof.

(x) "Registration" means any governmental filing, whether federal, state, local, foreign or otherwise, related to Owned Software or any Intangible, including, without limitation, all registrations of patents, copyrights, trademarks, service marks, trade names, and maskworks, and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof.

(xi) "Intangible" means:

(1) Patents, patent applications, patent disclosures, all re-issues, divisions, continuations, renewals, extensions and continuation-in-parts thereof and improvements thereto;

(2) Trademarks, service marks, trade dress, logos, trade names, and corporate names and registrations and applications for Registration thereof and all goodwill associated therewith;

(3) Copyrights, Registrations thereof and applications for Registration thereof;

(4) Maskworks, Registrations thereof and applications for Registration thereof;

(5) Trade secrets and confidential business information (including ideas, formulas, compositions, inventions, whether patentable or unpatentable and whether or not reduced to practice, know-how, manufacturing and production processes and techniques, research and development information, drawings, flow charts, processes, ideas, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing, and business data, pricing and cost information, business and marketing plans, and customer and supplier lists and information);

(6) All rights necessary to prevent claims of invasion of privacy, right of publicity, defamation, infringement of moral rights, or any other causes of action arising out of the use, adaptation, modification, reproduction, distribution, sale, or exhibition of the applicable Software;

(7) All income, royalties, Damages and payments due at Closing or thereafter with respect to the Owned Software, Customer Software, Other Software, or other Intangibles and all other rights thereunder including, without limitation, Damages and payments for past, present or future infringements or misappropriations thereof, the right to sue and recover for past, present or future infringements or misappropriations thereof;

(8) All rights to use all of the foregoing forever; and

(9) All other rights in, to, and under the foregoing in all countries.

B. Identification.

(i) Schedule 3.22(b)(i) of the Disclosure Schedule contains an accurate and complete list and description (including a name, product description, the language in which it is written and the type of hardware platform(s) on which it runs) of the following:

(1) All Owned Software;

(2) All Customer Software; and

(3) All Other Software.

(ii) Schedule 3.22(b)(ii) to the Disclosure Schedule:

(1) Contains a complete list of each Registration of Seller;

(2) Identifies each pending Registration of Seller;

(3) Identifies each application for or Registration by Seller regarding the Intangibles and Software of Seller which have been withdrawn, abandoned, or have lapsed or been denied; and

(4) Specifies any advice to Seller with respect to each such Registration or protectability of the Intangibles and Software, summarizing such advice. Schedule 3.22 indicates Seller's basis for its claim of ownership of such items or the source of Seller's right to use such items.

(iii) Schedule 3.22(b)(iii) to the Disclosure Schedule identifies each Customer License Agreement, together with the term thereof, and each source code escrow agreement entered into by Seller and relating to any Intangibles and Software identified in such Customer License Agreement.

(iv) Schedule 3.22(b)(iv) to the Disclosure Schedule identifies each Distributor Agreement, together with the term thereof, and each source code escrow agreement entered into by Seller and relating to any Intangibles and Software identified in such Distributor Agreement.

(v) Schedule 3.22(b)(v) to the Disclosure Schedule identifies each Supplier License Agreement, together with the term thereof, all royalties or other amounts due thereon, and each source code escrow agreement entered into by the provider or licensor thereof running to the benefit of Seller and relating to any Intangibles and Software identified in such Supplier License Agreement.

C. Ownership and Right to License.

(i) Except as set forth in Schedule 3.22(c) of the Disclosure Schedule, Seller owns the Owned Software and Intangibles attributable to the Owned Software, as used or required to operate Seller's businesses as currently conducted and as contemplated in the future in accordance with Seller's written business plans, free and clear of any liens, claims, charges or encumbrances which would affect the use of the Owned Software in connection with the operation of Seller's business as currently conducted and as contemplated in the future in accordance with Seller's written business plans.

(ii) Except as set forth in Schedule 3.22(c) of the Disclosure Schedule, Seller has received written license agreements granting the full right to use all of the Customer Software and Other Software, and Intangibles attributable thereto, as used or required to operate Seller's businesses as currently conducted and as contemplated in the future in accordance with

Seller's written business plans, free and clear of any liens, claims charges or encumbrances which would materially and adversely affect the use of such Software in connection with the operation of Seller's business as currently conducted and as contemplated in the future in accordance with Seller's written business plans. Neither Seller nor the Shareholders have any Knowledge that such written license agreements are from a source other than a Person who is authorized to grant the rights granted to Seller therein.

(iii) No rights of any third party not previously obtained are necessary to market, license, sell, modify, update, and/or create derivative works for any Software as to which Seller takes any such action in its business as currently conducted and as contemplated in the future in accordance with Seller's written business plans.

(iv) Except as set forth in Schedule 3.22(c) of the Disclosure Schedule, and to the Knowledge of Seller and Shareholders, none of the Software or Intangibles listed in Schedule 3.22, or their respective past or current uses by or through Seller have violated or infringed upon, or is violating or infringing upon, any Software, patent, copyright, trade secret or other Intangible of any Person. Seller has adequately maintained all trade secrets and copyrights with respect to the Owned Software.

Seller has substantially performed all obligations imposed upon Seller with regard to the Customer Software and Other Software which are required to be performed by Seller on or prior to the date hereof, and neither Seller nor, to the Knowledge of Seller and the Shareholders, any other party, is in breach of or default thereunder in any material respect, nor to Knowledge of Seller and the Shareholders, is there any event which with notice or lapse of time or both would constitute a default thereunder.

(v) Except as set forth in Schedule 3.22(c) of the Disclosure Schedule, to the Knowledge of Seller and the Shareholders, no Person is violating or infringing upon, or has violated or infringed upon at any time, any of Seller's rights to any of the Software or Intangibles listed in Schedule 3.22.

(vi) None of the Software or Intangibles listed in Schedule 3.22 are owned by or registered in the name of any current or former owner, Shareholders, partner, director, executive, officer, employee, salesman, agent, customer, or contractor of Seller, nor does any such Person have any interest therein or right thereto, including, but not limited to, the right to royalty payments. Except as set forth in Schedule 3.22, Seller has not granted any third party any exclusive rights related to any Owned Software.

(vii) No litigation is pending and no claim has been made against Seller or, to the Knowledge of Seller and the Shareholders, is Threatened, which contests the right of Seller to sell or license to any Person or entity or use any of the Owned Software, Customer Software or Other Software. No former employer of any employee or consultant of Seller has made a claim against Seller or, to the Knowledge of Seller and the Shareholders against any other Person, that Seller or such employee or consultant is misappropriating or violating the Intangibles of such former employer.

(viii) Seller is not a party to nor bound by and, upon the consummation of the Contemplated Transactions, Buyer will not be a party to or bound by (as a result of any acts or agreements of Seller) any license or other agreement requiring the payment by Seller or their assigns of any royalty or license payment, excluding such agreements relating to the Customer Software or Other Software to the extent such royalty or license payment is expressly set forth in **Schedule 3.22**.

(ix) Except as set forth in **Schedule 3.22(c)**, the Owned Software, Customer Software, and Other Software and the information used by Seller, and the Intangibles thereunder, are fully transferable to Buyer in any manner contemplated by the Contemplated Transactions.

(x) No Software other than the Owned Software, Customer Software and Other Software is required to operate the business of Seller as currently conducted and as contemplated in the future in accordance with Seller's written business plans.

(xi) Seller has supplied Buyer with correct and complete copies of representative Customer License Agreements and Distributor Agreements. Except as set forth in **Schedule 3.22(c)**, all Customer License Agreements, Distributor Agreements and Supplier License Agreements may be assigned to Buyer free of cost or expense without obtaining the consent or approval of any other Person in any manner contemplated by the Contemplated Transactions. Other than the term of the license grant and the consideration paid for such license grant, the terms and conditions of all Customer License Agreements entered into between Seller and any customer of Seller are not materially different from the terms and conditions of the copies of representative Customer License Agreements provided to Buyer.

(xii) **Schedule 3.22(c)** identifies all individuals who have contributed to the development of the Owned Software.

D. Performance.

(i) Except as set forth in Schedule 3.22(d)(i) of the Disclosure Schedule, Seller Software substantially:

(1) Performs in accordance with all Seller published specifications for Seller Software;

(2) Complies with all Seller published documentation, descriptions and literature with respect to Seller Software; and

(3) Complies with all representations, warranties and other requirements specified in all Customer License Agreements and Distributor Agreements.

Except as set forth in Schedule 3.22(d)(i), no claim has been made or, to the Knowledge of Seller and the Shareholders, is Threatened, that Seller Software substantially fails to perform as set forth in the immediately preceding sentence.

(ii) Except as set forth in Schedule 3.22(d)(ii), Seller has substantially complied with all Customer License Agreements, Distributor Agreements and Supplier License Agreements, and to the Knowledge of Seller and the Shareholders, except as set forth in Schedule 3.22, all other parties to such agreements have substantially complied with all provisions thereof and no default or event of default exists under any of the Customer License Agreements, Distributor Agreements and Supplier License Agreements.

(iii) Except as set forth in Schedule 3.22(d)(iii), with respect to Seller Software:

(1) Seller maintains machine-readable master-reproducible copies, reasonably complete technical documentation and/or user manuals for the most current releases or versions thereof and for all earlier releases or versions thereof currently being supported by Seller.

(2) In each case, the machine-readable copy substantially conforms to the corresponding source code listing.

(3) Such Seller Software for which Seller possesses source code is written in the language set forth in Schedule 3.22, for use on the hardware set forth in Schedule 3.22 with standard operating systems.

E. Such Seller Software for which Seller possesses source code can be maintained and modified by reasonably competent programmers familiar with such language, hardware and operating systems.

F. Millennium Compliance. Except as set forth in Schedule 3.22(e), the Owned Software and to the Knowledge of Seller and the Shareholders, the Customer Software

and Other Software, are "Millennium Compliant." For the purposes of this Agreement "Millennium Compliant" means:

(i) The functions, calculations, and other computing processes of the Owned Software, Customer Software and Other Software (collectively, "Processes") perform in an accurate manner regardless of the date in time on which the Processes are actually performed and regardless of the date input to the Owned Software, Customer Software, and Other Software, whether before, on, or after January 1, 2000, and whether or not the dates are affected by leap years;

(ii) The Owned Software, Customer Software, and Other Software accept, store, sort, extract, sequence, and otherwise manipulate date inputs and date values, and return and display date values, in an accurate manner regardless of the dates used, whether before, on, or after January 1, 2000;

(iii) The Owned Software, Customer Software, and Other Software will function without interruptions caused by the date in time on which the Processes are actually performed or by the date input to the Owned Software, Customer Software, and Other Software, whether before, on, or after January 1, 2000;

(iv) The Owned Software, Customer Software, and Other Software accept and respond to two (2) digit year and four (4) digit year date input in a manner that resolves any ambiguities as to the century in a defined, predetermined, and accurate manner;

(v) The Owned Software, Customer Software, and Other Software display, print, and provide electronic output of date information in ways that are unambiguous as to the determination of the century; and

(vi) The Owned Software, Customer Software, and Other Software have been tested by Seller to determine whether the Owned Software, Customer Software, and Other Software are Millennium Compliant. Seller shall deliver the test plans and results of such tests upon written request from Buyer. Seller shall notify Buyer immediately of the results of any tests or any claim or other information that indicates the Owned Software, Customer Software, and Other Software are not Millennium Compliant.

G. Trade Secrets and Confidential Information. Without limiting any of the foregoing representations and warranties contained in the preceding subparagraphs of this Section 3.22., to the Knowledge of Seller and the Shareholders, no current or former owner, Shareholders, partner, director, executive, officer, employee, salesman, agent, customer, or contractor of Seller has disclosed to (without proper obligation of confidentiality) or otherwise used or utilized on behalf of any Person other than Seller, any trade secrets or proprietary information, including, without limitation, the source codes for Seller Software.

All Customer License Agreements, Distributor Agreements, software development agreements, and any other written agreement between Seller and any third party in which trade secrets or confidential information of Seller, Seller's customers, agents, or suppliers are disclosed

binds the recipient thereof to take reasonable steps to protect the proprietary rights of Seller and their customers, agents, and suppliers in such trade secrets and confidential information.

3.23. Certain Payments. Neither Seller nor to the Shareholders' Knowledge any director, officer, agent, or employee of Seller acting on behalf of or for benefit of Seller, nor any other Person associated with and acting for or on behalf of Seller, has directly or indirectly:

A. Made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services in violation of any Legal Requirement.

B. Established or maintained any fund or asset on behalf of Seller that has not been recorded in the books and records of Seller.

3.24. Relationships With Related Persons. Except as set forth in Schedule 3.24 of the Disclosure Schedule, no Related Person of Seller has, or since December 31, 1996, has had, any interest in any property (whether real, personal, or mixed and whether tangible or intangible), used in or pertaining to Seller's businesses.

No Related Person of Seller owns, or since December 31, 1996, has owned (of record or as a beneficial owner) an equity interest or any other financial or profit interest in, a Person that has:

A. A material financial interest in any transaction with Seller; or

B. Engaged in competition with Seller with respect to any line of the products or services of Seller (a "Competing Business") in any market presently served by Seller except for ownership of less than five percent (5%) of the outstanding capital stock of any Competing Business that is publicly traded on any recognized exchange or in the over-the-counter market.

Except as set forth in Schedule 3.24 of the Disclosure Schedule, no Related Person of Seller is a party to any Contract or commitment with Seller.

3.25. Brokers or Finders. Neither the Shareholders, Seller nor their respective agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

3.26. Labor Relations; Compliance. Seller has not been nor is it a party to any collective bargaining or other labor Contract. There has not been, there is not presently pending or existing, and there is not Threatened:

A. Any strike, slowdown, picketing, work stoppage or employee grievance process;

B. Any Proceeding against or affecting Seller relating to the alleged violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the

Equal Employment Opportunity Commission, or any comparable Governmental Body, organizational activity, or other labor or employment dispute against or affecting any of Seller or their premises; or

C. Any application for certification of a collective bargaining agent.

To the Knowledge of Seller and Shareholders, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by Seller, and no such action is contemplated by Seller. Seller has complied in substantially all respects with all Legal Requirements relating to employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of social security and similar taxes, occupational safety and health and plant closing. To the Knowledge of Seller and Shareholders, Seller has only employed Persons authorized to work in the United States.

Seller is not liable for the payment of any compensation, Damages, taxes, fines, penalties, or other amounts, however, designated, for failure to comply with any of the foregoing Legal Requirements.

3.27. Disclosure. Schedule 3.27 consists of two (2) separate due diligence request lists from InfoCure and ISI to Seller containing the answers of Seller and references to documents or information supplied by Seller to InfoCure and ISI.

No representation or warranty made by Seller or the Shareholders in this Agreement or in the Disclosure Schedule, nor any document, written information, statement, financial statement, certificate or exhibit prepared and furnished or to be prepared and furnished by Seller or the Shareholders or their respective representatives pursuant hereto or in connection with the transactions contemplated hereby, when taken together, contains or contained (as of the date made) any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements or facts contained herein or therein not misleading in light of the circumstances under which they were made.

4. Representations and Warranties of Buyer and InfoCure.

In order to induce Seller to enter into this Agreement and consummate the transactions contemplated hereunder, Buyer and InfoCure, jointly and severally, make the following representations and warranties:

4.1. Organization. Each of Buyer and InfoCure is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and Buyer and InfoCure each has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted. Each of Buyer and InfoCure is duly qualified to transact business, and is in good standing, as a foreign corporation in each jurisdiction where the character of its activities requires such qualification, except where the failure to so qualify would not have a material adverse effect on the assets, liabilities, results

of operations, financial condition, business or prospects of Buyer, InfoCure or their respective subsidiaries taken as a whole.

4.2. Authorization. Each of Buyer and InfoCure has full corporate power and authority to execute and deliver this Agreement and to perform its respective obligations under this Agreement and to consummate the transactions contemplated hereby (the "InfoCure/Buyer Ancillary Agreements"). The execution and delivery of this Agreement by Buyer and InfoCure and the performance by Buyer and InfoCure of their respective obligations hereunder and the consummation of this Agreement, the InfoCure/Buyer Ancillary Agreements and the other transactions provided for herein have been duly and validly authorized by all necessary corporate action on the part of each of Buyer and InfoCure. This Agreement and the InfoCure/Buyer Ancillary Agreements have been duly executed and delivered by each of Buyer and InfoCure and each constitutes the legal, valid and binding agreement of Buyer and InfoCure, enforceable against each of Buyer and InfoCure in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies. Each other agreement to be executed by Buyer and InfoCure in connection with this Agreement will be duly executed and delivered by Buyer and InfoCure in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

4.3. Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement, the consummation of the transactions contemplated by this Agreement, and the fulfillment of and compliance with the terms and conditions of this Agreement do not and will not, with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any material benefit under, or permit the acceleration of any obligation under, (i) any term or provision of the Organizational Documents of Buyer or InfoCure; (ii) any Contract material to the business and operations of Buyer or InfoCure; (iii) any judgment, decree, injunction or order of any court or governmental authority or agency to which Buyer or InfoCure is a party or by which Buyer or InfoCure or any of their respective properties is bound or (iv) any statute, law, regulation or rule applicable to Buyer or InfoCure, so as to have, in the case of subsections (ii) through (iv) above, a material adverse effect on the assets, liabilities, results of operations, financial condition, business or prospects of Buyer or InfoCure and their respective subsidiaries taken as a whole. Except for filing of the Certificate of Merger, no Consent, approval, order or authorization of, or registration, declaration or filing with, any government agency or public or regulatory unit, agency, body or authority with respect to Buyer or InfoCure is required in connection with the execution, delivery or performance of this Agreement by Buyer or InfoCure or the consummation of the Contemplated Transactions contemplated by this Agreement by Buyer or InfoCure, the failure to obtain which would have a material adverse effect upon the assets, liabilities, results of operations, financial condition, business or prospects of Buyer or InfoCure and its subsidiaries taken as a whole.

4.4. Capitalization of InfoCure. The authorized capital stock of InfoCure consists of two hundred million (200,000,000) shares of common stock, \$.001 par value per share of which

thirty million three hundred fifty-two thousand seven hundred sixty-five (30,352,765) shares were issued and outstanding as of December 10, 1999 and two million (2,000,000) shares of preferred stock, \$.001 par value per share, of which zero (0) shares were issued and outstanding as of December 10, 1999. All shares of InfoCure Common Stock outstanding as of the date hereof are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. None of the outstanding shares of InfoCure Common Stock or other securities of InfoCure was issued in violation of the Securities Act or applicable state securities laws. The shares of InfoCure Common Stock to be issued pursuant to this Agreement have been duly authorized and, when issued, will be validly issued, fully paid, nonassessable, free of preemptive rights and in compliance with the Securities Act and applicable state securities laws.

4.5. InfoCure SEC Reports. InfoCure has heretofore made available to the Shareholders, its Annual Report on Form 10-K for the period ended December 31, 1998, its Quarterly Report on Form 10-Q for the quarters ended March 31, 1999, June 30, 1999 and September 30, 1999 and the Prospectus filed with the SEC as of April 22, 1999 and all Reports on Form 8-K since the date of InfoCure's last Annual Report (the "InfoCure SEC Reports"). As of their respective dates, the InfoCure SEC Reports did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Since September 30, 1999, there has been no material adverse change in the assets, liabilities, results of operations, financial condition, business or prospects of InfoCure and its subsidiaries taken as a whole, and there are no existing facts or circumstances known to the senior management of InfoCure reasonably likely to cause such a material adverse change, other than with respect to general domestic or international economic conditions. Since September 30, 1999, InfoCure has filed all forms, reports and documents with the Securities and Exchange Commission required to be filed by it pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Securities Act, and the rules and regulations promulgated thereunder, each of which complied as to form, at the time such form, document or report was filed, in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the applicable rules and regulations promulgated thereunder.

4.6. Litigation. Except as may be disclosed in the InfoCure SEC Reports, there are no suits, arbitrations, actions, claims, complaints, grievances, investigations or proceedings pending or, to the Knowledge of InfoCure or Buyer, Threatened against InfoCure or Buyer that, if resolved against InfoCure or Buyer could be reasonably expected to have a material adverse effect on InfoCure or Buyer on their ability to consummate this Agreement and the other transactions contemplated hereby.

4.7. Disclosure. No representation, warranty or covenant made by InfoCure or Buyer in this Agreement or any Exhibit hereto contains any untrue statement of a material fact or omits to state a material fact required to be stated herein or therein or necessary to make the statements contained herein or therein not misleading.

4.8. Certain Proceedings. There is no pending Proceeding that has been commenced against Buyer or InfoCure that challenges, or may have the effect of preventing, delaying, making

illegal, or otherwise interfering with, any of the Contemplated Transactions. To the Knowledge of Buyer or InfoCure, no such Proceeding has been Threatened.

4.9. Brokers or Finders. Except for finder's fee due Mark Kloner which will be paid by InfoCure following Closing, neither Buyer or InfoCure nor any of their respective officers or agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

4.10. Specific Disclaimer. Notwithstanding anything to the contrary herein, neither Buyer or InfoCure shall be deemed to have made to the Seller or to the Shareholders any representation or warranty other than as expressly made by Buyer or InfoCure in this Article 4. Without limiting the generality of the foregoing and notwithstanding any otherwise express representations and warranties made by Buyer or InfoCure in this Article 4. or otherwise in this Agreement, Buyer or InfoCure do not make and hereby expressly disclaim any representation or warranty Seller or to the Shareholders with respect to: (i) any projections, estimates or budgets heretofore delivered or made available Seller or to the Shareholders regarding future revenues, expenses or expenditures or results of future operations of the Buyer or InfoCure and (ii) any other information or documents made available Seller or to the Shareholders or its or their respective attorneys, advisors, or accountants with respect to Buyer or InfoCure, including, without limitation, any proforma financial statements or draft registration statements.

5. Covenants of the Parties.

5.1. Preservation of and Access to Books and Records. The Parties agree that they shall preserve and keep all books and records of the Acquired Business and all information relating to the accounting, business, financial and tax affairs of the Acquired Business in existence on the Closing Date or which come into existence after the Closing Date, but relate to the Acquired Business prior to the Closing Date for a period of six (6) years thereafter, or for any longer period (i) as may be required by any federal, state, local or foreign governmental body or agency; (ii) as may be reasonably necessary with respect to the prosecution or defense of any audit, suit, action, litigation or administrative arbitration or other proceeding or investigation that is then pending or threatened or (iii) that is equivalent to the period established by any applicable statute of limitations (or any extension or waiver thereof) with respect to matters pertaining to taxes. Each Party agrees not to destroy any books, records or other documents containing such information without the prior written consent of the other Party.

The Parties shall afford to each other and their respective employees, counsel and other authorized representatives, at no charge, (i) complete access, at all reasonable times to the books and records of the Acquired Business and all information relating to such accounting, business, financial or tax affairs relating to the Acquired Business, concerning (x) any matter relating to this Agreement or (y) any business of the Acquired Business prior to the Closing and (ii) the reasonable services of each other's employees to assist the requesting party with respect to such matters.

5.2. Expenses. Except as expressly otherwise provided herein, Buyer and InfoCure on the one hand, and Seller and the Shareholders on the other hand, shall bear their respective

expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of agents, representatives, counsel and accountants. In the case of termination of this Agreement, the obligation of each party to pay its own expenses shall be subject to any rights of such party arising from a breach of this Agreement by the other party.

5.3. Public Announcements. The parties hereto shall consult and cooperate with each other and agree upon the terms and substance of all press releases, announcements and public statements with respect to this Agreement; provided, however, that such consultation and cooperation shall not interfere with any obligation of either party hereto to disclose any information as and when required by applicable law.

5.4. Consent. Each of the parties hereto will use its commercially reasonable efforts and shall fully cooperate with each other party to make promptly all registrations, filings and applications, give all notices and obtain all governmental and third party consents, permits, approvals, orders, authorities, qualifications, and waivers necessary for the consummation of the transactions contemplated by this Agreement or that thereafter may be necessary to effectuate the transfer or renewal of any other license, approval or authorization.

5.5. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use its commercially reasonable efforts to take, or cause to be taken all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. From time to time, after the date hereof, without further consideration, Seller will execute and deliver such documents to Buyer as Buyer may reasonably request in order to more effectively vest in Buyer title to the Purchased Assets.

5.6. Change Corporate Name. Within ten (10) days of Closing, Seller shall change its corporate name, and file all necessary documentation with the Arizona Corporation Commission, to "Gray Matter, Inc."

6. Conditions to the Obligation of Buyer and InfoCure.

The obligation of Buyer to purchase the Purchased Assets shall be subject to the fulfillment at or prior to the Closing Date of each of the following conditions, each of which is for the benefit of Buyer and InfoCure and any one (1) or more of which may be waived by either Buyer or InfoCure:

6.1. Accuracy of Representations and Warranties and Compliance With Obligations.

The representations and warranties of the Shareholders and Seller contained in this Agreement shall have been true and correct at and as of the date hereof, and they shall be true and correct at and as of the Closing Date with the same force and effect as though made at and as of that time.

The Shareholders and Seller shall have performed and complied with all of their obligations required by this Agreement to be performed or complied with at or prior to the Closing Date.

The Shareholders and Seller shall each deliver to Buyer a Certificate in the form of Exhibit B hereto, certifying that each of the conditions to the obligations of Buyer to purchase the Purchased Assets from Seller which is set forth in Section 6. of this Agreement has been satisfied.

6.2. Opinion of Counsel. Buyer and InfoCure shall have received an opinion dated the Closing Date from Plattner, Schneidman & Schneider, P.C., counsel for Seller and Shareholders, substantially in form and substance as set forth on Exhibit G attached hereto.

6.3. Receipt of Necessary Consents. All necessary consents or approvals of third parties to any of the transactions contemplated hereby, the absence of which would have a material adverse effect on Buyer's rights hereunder, shall have been obtained and shown by written evidence reasonably satisfactory to Buyer or reasonable efforts to obtain such consents or approvals shall have been demonstrated to Buyer by such evidence.

6.4. Employment Agreement. Amy J. Bochman, individually, shall have executed an Employment Agreement in the form attached hereto as Exhibit H.

6.5. No Adverse Litigation. There shall not be pending or threatened any action or proceeding by or before any court or other governmental body which shall seek to restrain, prohibit or invalidate the sale of the Purchased Assets to Buyer or any other transaction contemplated hereby, or which might affect the right of Buyer to own the Purchased Assets or to operate the business formerly operated by Seller and which, in the judgment of Buyer, makes it inadvisable to proceed with the purchase of the Purchased Assets.

6.6. Restrictive Covenant Agreements. The Shareholders and Seller shall have each entered into a restrictive covenant agreement (the "Restrictive Covenant Agreement") with Buyer, substantially in the form of Exhibit I hereto.

6.7. Directors Resolutions; Good Standing. Seller shall have delivered to Buyer a certificate evidencing the good standing of Seller as of a recent practicable date, and a certified copy of the resolutions of the Directors of Seller (and Seller's shareholders if required by Seller's organizational documents) approving the execution, delivery and performance by Seller of this Agreement and all the other transactions to be taken by Seller contemplated herein.

6.8. Escrow Agreement. The Seller and Shareholders shall have executed the Escrow Agreement in the form attached hereto as Exhibit A.

6.9. Registration Rights Agreement. The Seller shall have executed the Registration Rights Agreement in the form attached hereto as Exhibit J.

6.10. Buyer's Lender's Approval. On or before the Closing, Buyer shall have obtained the approval of Buyer's lender, Finova Capital Corporation ("Finova"), to the transaction contemplated herein.

6.11. Lease Agreement Between Buyer and Greystone Holdings, L.L.C. The Buyer and Greystone Holdings, L.L.C. (the "Landlord") shall have entered into a Lease Agreement in the form attached hereto as Exhibit K (the "New Lease Agreement").

6.12. Termination of Existing Lease Agreement. Seller shall deliver evidence at Closing, that its existing lease with the Landlord has been terminated.

6.13. Founders Bank Consent. Seller shall deliver evidence at Closing of the Founders Bank of Arizona's (i) consent to the consummation of the transactions contemplated by this Agreement and (ii) acknowledgment that Buyer has no liability with respect to Seller's guarantee of Landlord's loan with Founders Bank of Arizona.

7. **Conditions to Obligation of Seller.**

The obligation of Seller to sell the Purchased Assets shall be subject to the fulfillment at or prior to the Closing Date of each of the following conditions, each of which is for the benefit of Seller any one (1) or more of which may be waived by Seller:

7.1. Accuracy of Representations and Warranties and Compliance With Obligations.

The representations and warranties of Buyer and InfoCure contained in this Agreement shall have been true and correct at and as of the date hereof, and they shall be true and correct at and as of the Closing Date with the same force and effect as though made at and as of that time.

Buyer and InfoCure shall have performed and complied with all of their respective obligations required by this Agreement to be performed or complied with at or prior to the Closing Date.

Buyer and InfoCure shall each deliver to Seller a Certificate in the form of Exhibit C hereto, certifying that each of the conditions to the obligations of Seller to sell the Purchased Assets to Buyer which is set forth in Section 7. of this Agreement has been satisfied.

7.2. Opinion of Counsel. Seller shall have received an opinion, dated the Closing Date, from Morris, Manning & Martin L.L.P., counsel to Buyer and InfoCure, substantially in form and substance as set forth in Exhibit L attached hereto.

7.3. No Adverse Litigation. There shall not be pending or threatened any action or proceeding by or before any court or other governmental body which shall seek to restrain, prohibit or invalidate the sale of the Purchased Assets by Seller or any other transaction contemplated hereby or which, in the judgment of Seller, makes it inadvisable to proceed with the sale of the Purchased Assets.

7.4. Registration Rights Agreement. InfoCure shall have executed the Registration Rights Agreement in the form attached hereto as Exhibit J.

7.5. Escrow Agreement. Buyer and InfoCure shall have executed the Escrow Agreement in the form attached hereto as Exhibit A.

8. Additional Agreements.

8.1. Execution of Further Documents. From and after the Closing, upon the reasonable request of Buyer, Seller shall execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to convey and transfer to and vest in Buyer and protect its rights, title and interest in the Purchased Assets and as may be appropriate otherwise to carry out the transactions contemplated by this Agreement.

8.2. Nonassignable Contracts. To the extent that the assignment hereunder by Seller to Buyer of any contract, commitment, license, lease or other agreement of Seller (the "Contracts") is prohibited or is not permitted without the consent of any other party to the Contract, this Agreement shall not be deemed to constitute an assignment of any such Contract if such consent is not given or if such assignment otherwise would constitute a breach of, or cause a loss of contractual benefits under, any such Contract, and Buyer shall assume no obligations or liabilities thereunder.

Prior to the Closing, Seller shall advise Buyer promptly in writing with respect to any Contract as to which it knows it will not receive any required consent. Without in any way limiting Seller's obligation pursuant to Section 6.3. to obtain all consents and waivers necessary for the sale, transfer, assignment and delivery of the Contracts and the Purchased Assets to Buyer hereunder, if any such consent is not obtained or if such assignment is not permitted irrespective of consent and the Closing hereunder is consummated, Seller shall, if requested by Buyer, cooperate with Buyer in any reasonable arrangement designed to provide Buyer with the rights and benefits (subject to the obligations) under the Contract, including, if reasonably requested by Buyer, by enforcing for the benefit of Buyer any and all rights of Seller against any other person arising out of breach or cancellation by such other person, acting as an agent on behalf of Buyer, subcontracting to Buyer the right to perform under the Contract on the same economic terms as applied to Seller prior to the Closing and acting as Buyer shall otherwise reasonably require, in each case at Buyer's expense.

Acceptance of any such arrangement shall constitute a waiver by Buyer of any claim or alleged breach under this Agreement with respect to such Contracts.

8.3. Sales Taxes on Acquisition. Notwithstanding anything to the contrary elsewhere in this Agreement, all transfer, documentary, sales, use, stamp, registration and other such taxes and fees (including penalties and interest) incurred in connection with this Agreement (including the acquisition by Buyer of the Acquired Business and the Purchased Assets) shall be paid by the Shareholders or the Seller when due, and will, at its own expense, file all necessary tax returns and other documentation with respect to such transfer, documentary, sales, use, stamp, registration and other taxes and fees.

9. Indemnification.

9.1. Agreement by Seller to Indemnify. The Shareholders and Seller, jointly and severally, agree to indemnify and hold harmless Buyer and InfoCure and each of their respective officers, directors, shareholders, successors and assigns (collectively, the "Seller Indemnified Parties") in respect of the aggregate of all indemnifiable damages caused to the Acquired Business or any of the Seller Indemnified Parties.

For this purpose, "indemnifiable damages" caused to the Acquired Business or any of the Seller Indemnified Parties means the aggregate of all expenses, losses, penalties, costs, deficiencies, liabilities and damages (including reasonable and related counsel fees and expenses) incurred or suffered by the Acquired Business or any of the Seller Indemnified Parties (in each case net of any insurance or other third party recoveries) resulting from:

- A. The breach of any warranty made by Seller or Shareholders in or pursuant to this Agreement;
- B. The breach of any of the covenants or agreements made by Seller or Shareholders in this Agreement;
- C. The failure of Seller to pay, discharge or perform any liability or obligation of Seller which is not an Assumed Liability;
- D. Any actions, claims, proceedings, demands, grievances or disputes brought or initiated by third parties against the Acquired Business or any of the Seller Indemnified Parties in connection with an Excluded Liability; or
- E. The conduct of the Acquired Business by Seller through and including the Closing Date.

The foregoing obligation of the Shareholders and Seller to indemnify the Seller Indemnified Parties shall be subject to each of the following principles or qualifications:

9.1.1. Each of the representations and warranties made by the Shareholders and Seller in this Agreement or pursuant hereto, shall survive for a period of two (2) years after the Closing Date, notwithstanding any investigation at any time made by or on behalf of Buyer or InfoCure, and thereafter all such representations and warranties shall be extinguished; provided, however, that the representations and warranties made by the Shareholders and Seller to the extent they relate to Seller's title to the Purchased Assets shall survive forever; the

representations and warranties made by Seller to the extent they relate to any Plan or Seller Employee Liabilities shall survive until no possible liability with respect thereto can be asserted; and that the representations and warranties made by Seller in Section 3.11. hereof ("Tax Matters") shall in each case survive until the first (1st) anniversary of the later of:

- A. The date on which applicable period of limitation on assessment or refund of tax has expired; or
- B. The date on which the applicable taxable year (or portion thereof) has been closed.

No claim for the recovery of indemnifiable damages may be asserted by any of the Seller Indemnified Parties against Seller or its successors in interest after such representations and warranties shall be thus extinguished; provided, however, that claims first asserted in writing within the applicable period shall not thereafter be barred. In addition, the Seller shall have no liability with respect to indemnifiable damages until the total of all such damages exceeds One Hundred Sixty-Two Thousand Five Hundred and No/100 Dollars (\$162,500.00) in which event Buyer shall be entitled to claim only the excess of the amount of such damages over One Hundred Sixty-Two Thousand Five Hundred and No/100 Dollars (\$162,500.00). Notwithstanding the foregoing, in no event shall the aggregate liability of the Shareholders and Seller under this Section 9. exceed the Purchase Price.

9.2. Agreements by Buyer and InfoCure to Indemnify. Buyer and InfoCure (the "Buyer Indemnifying Parties"), jointly and severally, agree to indemnify and hold harmless Seller and the Shareholders and each of their respective officers, directors, shareholders, successors and assigns (collectively, for purposes of this Section 9.2., "Seller") in respect of the aggregate of all indemnifiable damages of Seller.

For this purpose, "indemnifiable damages" of Seller means the aggregate of all expenses, losses, costs, deficiencies, liabilities and damages (including reasonable and related counsel fees and expenses) incurred or suffered by Seller (in each case net of any insurance or other third party recoveries) resulting from:

- A. The breach of any representation or warranty made by Buyer or InfoCure pursuant to this Agreement.
- B. The breach of any of the covenants or agreements made by Buyer or InfoCure in this Agreement.
- C. Any actions, claims, proceedings, demands, grievances or disputes brought or initiated by third parties against the Seller in connection with the Assumed Liabilities, and in connection with Buyer's employment practices and contractual obligations to third parties after the Closing Date.
- D. The conduct of Acquired Business subsequent to the Closing Date.

The foregoing obligation of Buyer Indemnifying Parties to indemnify Seller shall be subject to each of the following principles or qualifications:

9.2.1. Each of the representations and warranties made by Buyer in Section 4. of this Agreement shall survive for a period of two (2) years after the Closing Date, and thereafter all such representations and warranties shall be extinguished.

No claim for the recovery of indemnifiable damages pursuant to Section 9.2. may be asserted by Seller against Buyer Indemnifying Parties or their successors in interest after such representations and warranties shall be thus extinguished; provided, however, that claims first asserted in writing within the applicable period shall not thereafter be barred.

9.3. Matters Involving Third Parties. If any third party shall notify Buyer or Seller (the "Indemnified Party") with respect to any matter which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this Section 9. then the Indemnified Party shall notify each Indemnifying Party thereof promptly; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any liability or obligation hereunder unless (and then solely to the extent that) the Indemnifying Party thereby is damaged.

If any Indemnifying Party notifies the Indemnified Party within fifteen (15) days after the Indemnified Party has given notice of the matter that the Indemnifying Party is assuming the defense thereof, then:

A. The Indemnifying Party will defend the Indemnified Party against the matter with counsel of its choice satisfactory to the Indemnified Party;

B. The Indemnified Party may retain separate co-counsel at its sole cost and expense (except that the Indemnifying Party will be responsible for the fees and expenses of the separate co-counsel to the extent the Indemnified Party concludes that the counsel the Indemnifying Party has selected has a conflict of interest);

C. The Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the matter without the written consent of the Indemnifying Party (not to be withheld or delayed unreasonably); and

D. The Indemnifying Party will not consent to the entry of any judgment with respect to the matter, or enter into any settlement which does not include a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto, without the written consent of the Indemnified Party (not to be withheld or delayed unreasonably).

If no Indemnifying Party notifies the Indemnified Party within fifteen (15) days after the Indemnified Party has given notice of the matter that the Indemnifying Party is assuming the defense thereof, then the Indemnified Party may defend against, or enter into any settlement with respect to, the matter in any manner it may deem appropriate.

9.4. Other Agreements. Any indemnity obligations which the Shareholders and Seller may have to Buyer can be discharged by the Escrow Agent from the funds held in escrow pursuant to Section 2.1.2. above in accordance with the terms of the Escrow Agreement.

9.5. Exclusive Remedy. Except for matters relating to fraud under applicable law, the remedies provided for in this Section 9. are the sole and exclusive remedies of the Parties with respect to claims arising from any breach of a warranty or representation under this Agreement.

10. Definitions.

The following terms shall have the following meanings:

10.1. **"Affiliate"** is used in this Agreement to indicate a relationship with one (1) or more persons and when used shall mean any corporation or organization of which such person is an executive officer, director or partner or is directly or indirectly the beneficial owner of ten percent (10%) or more of any class of equity securities or financial interest therein; any trust or other estate in which such person has a beneficial interest or as to which such person serves as trustee or in any similar fiduciary capacity; any relative or spouse of such person, or any relative of such spouse (such relative being related to the person in question within the second degree); or any person that directly, or indirectly through one (1) or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

10.2. **"Closing"** is defined in this Agreement in Section 2.5.

10.3. **"Closing Date"** is referred to herein as the date on which the Closing occurs.

10.4. **"Code"** means the Internal Revenue Code of 1986 or any successor law, including regulations or other authoritative notices or rulings issued by the Internal Revenue Service thereunder.

10.5. **"Seller Material Adverse Effect"** means a material adverse effect on the financial condition, results of operation, business or properties of the Seller.

10.6. **"Consent"** means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

10.7. **"Contemplated Transactions"** means all of the transactions contemplated by this Agreement, including, without limitation:

A. The purchase by Buyer of the Purchased Assets; and

B. The performance by Buyer, InfoCure, the Shareholders and Seller of their respective covenants and obligations under this Agreement.

10.8. **"Contract"** means any agreement, contract, subcontract, lease, binding understanding, instrument, note, option, warranty, purchase order, license, sublicense, insurance

policy, benefit plan, commitment, obligation, promise, or undertaking (whether written or oral, and whether express or implied) that is legally binding.

10.9. **"Damages"** means any loss, liability, claim, damages (including, without limitation, incidental and consequential damages), expense (including, without limitation, costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third party.

10.10. **"Disclosure Schedule"** means the disclosure schedule delivered by Seller and the Shareholders to Buyer and InfoCure concurrently with the execution and delivery of this Agreement.

10.11. **"Encumbrance"** means any security interest, mortgage, lien, charge, adverse claim or restriction of any kind, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

10.12. **"Environmental Requirements"** means federal, state and local laws relating to pollution or protection of the environment, including laws or provisions relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, or hazardous or toxic materials, substances, or wastes into air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants or hazardous or toxic materials, substances or wastes.

10.13. **"ERISA"** means the Employee Retirement Income Security Act of 1974 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

10.14. **"ERISA Affiliate"** means any person which would be required to be aggregated with Seller under I.R.C. § 414(b), (c), (m) and/or (o) at any time on or prior to the Closing Date.

10.15. **"GAAP"** means generally accepted United States accounting principles.

10.16. **"Governmental Authorization"** means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

10.17. **"Governmental Body"** means any domestic or foreign national, state or municipal or other local government or multinational, state or municipal or other local government or multinational body, any subdivision, agency, commission or authority thereof, or any quasi-governmental or private body exercising any regulatory or taxing authority thereunder.

10.18. **"IRS"** means the United States Internal Revenue Service or any successor agency, and, to the extent relevant, the United States Department of the Treasury.

10.19. **"Knowledge"** means an individual will be deemed to have "Knowledge" of a particular fact or other matter if such individual is actually aware of such fact or other matter, or a prudent individual given his position with Seller could be expected to discover or otherwise become aware of such fact or other matter. A Person (other than an individual) will be deemed

to have "Knowledge" of a particular fact or other matter if any individual who is serving or has at any time served as a director, officer, partner, executor or trustee of such Person (or in any similar capacity) has, or at any time had, Knowledge of such fact or other matter.

10.20. "**Legal Requirement**" means any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

10.21. "**Order**" means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Body or by any arbitrator.

10.22. "**Ordinary Course of Business**" means an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if:

A. Such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person; and

B. Such action is not required to be authorized by the board of directors of such Person or by any Person or group of Persons exercising similar authority.

10.23. "**Organizational Documents**" means (i) the Articles of Incorporation and the Bylaws of a corporation; (ii) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person and (iii) any amendment to any of the foregoing.

10.24. "**Person**" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

10.25. "**Plan**" as defined in Section 3.13.A. of this Agreement.

10.26. "**Proceeding**" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

10.27. "**Related Person**" means with respect to a particular individual:

A. Each other member of such individual's Family;

B. Any Person that is directly or indirectly controlled by such individual or one (1) or more members of such individual's Family;

C. Any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and

D. Any Person with respect to which such individual or one (1) or more members of such individual's Family serves as a director, officer, partner, executor, or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

A. Any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;

B. Any Person that holds a Material Interest in such specified Person;

C. Each Person that serves as a director, officer, partner, executor, or trustee of such specified Person (or in a similar capacity);

D. Any Person in which such specified Person holds a Material Interest;

E. Any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and

F. Any Related Person of any individual described in clause B. or C.

For purposes of this definition, (i) the "Family" of an individual includes (1) the individual's spouse and former spouses; (2) any other natural person who is related to the individual or the individual's spouse within the second degree and (3) any other natural person who resides with such individual and (ii) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding voting power of a Person or equity securities or other equity interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

10.28. "**Securities Act**" means the Securities Act of 1933 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

10.29. "**Tax Returns**" means any return, report, information return or other document (including any related or supporting information) filed or required to be filed with any Governmental Body in connection with the determination, assessment or collection of any Taxes or the administration of any laws, regulations or administrative requirements relating to any Taxes.

10.30. "**Taxes**" means all taxes, charges, fees, levies, interest, penalties, additions to tax or other assessments, including, but not limited to, income, excise, property, sales, use, value added and franchise taxes and customs duties, imposed by any Governmental Body and any payments with respect thereto required under any tax-sharing agreement.

10.31. "**Threatened**" means a claim, Proceeding, dispute, action, or other matter will be deemed to have been "Threatened" if any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or any other event has occurred or

any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Proceeding, dispute, action or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future.

11. Miscellaneous.

11.1. Brokers' Commission. Buyer will indemnify and hold harmless Seller from the commission, fee or claim of any person, firm or corporation employed or retained or claiming to be employed or retained by Buyer, including, without limitation, Mark Kloner, to bring about, or to represent it in, the transactions contemplated hereby. Seller will indemnify and hold harmless Buyer from the commission, fee or claim of any person, firm or corporation employed or retained or claiming to be employed or retained by Seller to bring about, or to represent them in the transactions contemplated hereby.

11.2. Amendment and Modification. The parties hereto may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

11.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives. This Agreement may not be assigned by Buyer and InfoCure, jointly and severally, except to another corporation controlled by or under common control with Buyer. In any such event, Buyer and InfoCure, jointly and severally, shall remain directly liable for all undertakings and obligations hereunder. This Agreement, including any rights to receive payments hereunder, may not be assigned by Seller except to its shareholders upon a dissolution or liquidation of Seller.

11.4. Entire Agreement. This Agreement and the exhibits and schedules attached hereto contain the entire agreement of the parties hereto with respect to the purchase of the Purchased Assets and the other transactions contemplated herein, and supersede all prior understandings and agreements of the parties with respect to the subject matter hereof. Any reference herein to this Agreement shall be deemed to include the schedules and exhibits attached hereto.

11.5. Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.6. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together will constitute one and the same instrument.

11.7. Notices. Any notice, request, information or other document to be given hereunder to any of the Parties by any other Party shall be in writing and delivered personally or sent by certified or registered mail, postage prepaid, as follows:

If to Seller, addressed to:

Practice Outlook, Inc.
11070 North 24th Avenue
Suite 101
Phoenix, Arizona 85029
Attention: Thomas R. Sprawls

If to Shareholders:

Thomas R. Sprawls
Post Office Box 82398
Phoenix, Arizona 85071

With a copy to:

Plattner, Schneidman & Schneider, P.C.
1707 East Highland Avenue
Suite 190
Phoenix, Arizona 85016
Attention: John J. Schneider, Esq.

If to Buyer or InfoCure, addressed to:

InfoCure Corporation
1765 The Exchange
Suite 450
Atlanta, Georgia 30339
Attention: James K. Price

With copy to:

Morris, Manning & Martin, L.L.P.
3343 Peachtree Road
Suite 1600
Atlanta, Georgia 30326
Attention: Richard L. Haury, Jr., Esq.

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change of address in the manner herein provided for giving notice. Any notice delivered personally shall be deemed to have been given on the date it is so delivered, and any notice delivered by registered or certified mail shall be deemed to have been given on the date it is received or refused, if delivery is refused.

11.8. Schedules. To the extent any disclosure in a Schedule puts Buyer on actual notice of the facts reflected therein, such disclosure shall be deemed to be a disclosure in all other Schedules under this Agreement as to such facts.

11.9. Governing Law/Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to contracts made and to be performed herein. With respect to any dispute, controversy or claim arising out of, relating to or in connection with, this Agreement, or the breach, termination or validity hereof, the parties shall first attempt to resolve the matter in good faith for a period of fourteen (14) days, thereafter, any such dispute, controversy or claim shall be finally settled by arbitration conducted in accordance with this Section. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the parties. The seat of the arbitration shall be Atlanta, Georgia and each party hereto irrevocably submits to the jurisdiction of the arbitration panel in Atlanta, Georgia. The arbitration shall be conducted by three (3) arbitrators, at least two (2) of which are attorneys having more than seven (7) years experience in the general mergers and acquisitions field. The party initiating arbitration (the "Claimant") shall identify its arbitrator within twenty (20) days of receipt of a request for arbitration (the "Request") and shall notify the Claimant of such appointment in writing. If the Respondent fails to identify an arbitrator within such twenty (20) day period, the arbitrator named in the Request shall decide the controversy or claim as the sole arbitrator. Otherwise, the two (2) arbitrators appointed by the parties shall appoint a third (3rd) arbitrator within twenty (20) days after the Respondent has notified Claimant of the appointment of the Respondent's arbitrator. When the third (3rd) arbitrator has accepted the appointment, the two (2) party-appointed arbitrators shall promptly notify the parties of the appointment. If the two (2) arbitrators appointed by the parties fail or are unable to so appoint a third (3rd) arbitrator, then the appointment of the third (3rd) arbitrator shall be made by the AAA, which shall promptly notify the parties of the appointment. The third (3rd) arbitrator shall act as chair of the panel. The arbitration award shall be in writing and shall be final and binding on the parties. The award may include an award of costs, including reasonable attorneys' fees and disbursements. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the parties or their assets. Notwithstanding the foregoing, the parties may apply to any court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim or conservatory relief, as necessary, without breach of this Section and without any abridgment of the powers of the arbitrators. The parties agree to be subject to the jurisdiction of the Superior Court of Cobb County or United States District Court for the Northern District of Georgia (provided said court has subject matter jurisdiction), which shall be the exclusive venue and jurisdiction for such adjudication, and the parties hereby agree to subject themselves to the jurisdiction and venue of such court for all such purposes and agree to waive any objections thereto.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

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

BUYER:

InfoCure Systems, Inc.

By: 

Name: Richard Peterson

Title: Chairman

INFOCURE:

InfoCure Corporation

By: 

Name: JAMES A. COCHRAN

Title: CFO

SELLER:

Practice Outlook, Inc.

By: _____

Name: _____

Title: _____

SHAREHOLDERS:

Thomas R. Sprawls

Helen G. T. Sprawls

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

BUYER:

InfoCure Systems, Inc.

By: _____
Name: _____
Title: _____

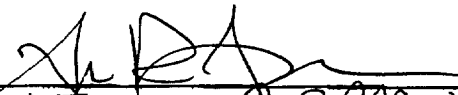
INFOCURE:

InfoCure Corporation

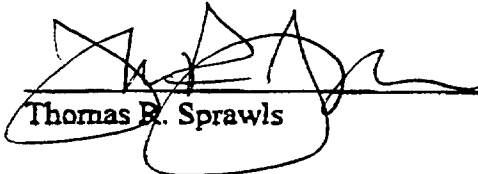
By: _____
Name: _____
Title: _____

SELLER:

Practice Outlook, Inc.

By: 
Name: THOMAS R. SPRAWLS
Title: PRESIDENT

SHAREHOLDERS:


Thomas R. Sprawls

Helen G. T. Sprawls
Helen G. T. Sprawls

EXHIBITS

Exhibit A	Escrow Agreement
Exhibit B	Certificates of Seller and Shareholders
Exhibit C	Certificates of Buyer and InfoCure
Exhibit D	Bill of Sale
Exhibit E	Wire Transfer Instructions
Exhibit F	Assignment and Assumption Agreement
Exhibit G	Opinion of Seller's Counsel
Exhibit H	Employment Agreement
Exhibit I	Restrictive Covenant Agreement
Exhibit J	Registration Rights Agreement
Exhibit K	Lease Agreement
Exhibit L	Opinion of Buyer's Counsel

SCHEDULES

Schedule 1.1.11	Fixed Assets
Schedule 1.2.4	Excluded Assets
Schedule 2.2	Assumed Liabilities
Schedule 2.4	Allocation of Purchase Price
Schedule 3.1	Corporate Organization Documents of Seller
Schedule 3.2	Notice Provisions of Seller
Schedule 3.4	Financial Statements
Schedule 3.6	Real Property Interests
Schedule 3.7	Condition and Sufficiency of Assets
Schedule 3.8	Accounts Receivable
Schedule 3.10	Undisclosed Liabilities
Schedule 3.11	Taxes
Schedule 3.13.1	Benefit Plans
Schedule 3.13.2	Benefit Plans Liabilities
Schedule 3.14	Government Authorizations
Schedule 3.15	Legal Proceedings
Schedule 3.16	Certain Events
Schedule 3.17	Contracts; No Defaults
Schedule 3.18	Insurance
Schedule 3.19	Environmental Matters
Schedule 3.20	Employees

Schedule 3.22

Intellectual Property Rights

Schedule 3.24

Relationships With Related Persons

Schedule 3.27

Disclosure

ASSET PURCHASE AGREEMENT:

Schedule 3.22(b)(ii) - Intellectual Property Rights of Seller

Registration of Practice Outlook with the United States Department of Commerce Patent and Trademark Office:

U.S. Trademark:	Practice Outlook
U.S. Serial No.:	73/725271
Registration No.:	1536188

See attached letter from the United States Department of commerce, dated June 24, 1996.