

RECORDATION
TRAD

8.75.00

11-16-2000



101518169

To the Assistant Commissioner of Patents and Trademark:

1. Name of conveying party(ies):
DirectSight Networks, Inc.

Individuals(s) Association
 General Partnership Limited Partnership
 Corporation-State - Georgia
 Other _____

Additional names(s) of conveying party(ies) attached: Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other **Asset Purchase Agreement**

Execution Date: November 3, 1999

2. Name and address of receiving party(ies)
Name: **Video Networks, Inc.**

Internal Address: **Suite 100**

Street Address: **245 Hembree Park Drive**

City: **Roswell** State: **GA** Zip: **30076**

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Georgia
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No N/A

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

4. Application numbers(s) or patent numbers(s):

A. Trademark Application No.(s)
75/791,315; 75/792,068 and 75/791,314

Additional numbers attached? Yes No

B. Trademark Registration No.(s)

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

Name: **William H. Brewster**

Internal Address: **Kilpatrick Stockton LLP**
Suite 2800

Street Address: **1100 Peachtree Street**

City: **Atlanta** State: **GA** Zip: **30309**

6. Total number of applications and registrations involved: **3**

7. Total fee (37 CFR 3.41).....\$ **90.00**

Enclosed

Authorized to be charged to deposit account
The Commissioner is authorized to charge any deficiency in the required fee or credit any over payment to Deposit Account No. 11-0860.

8. Deposit account number:
11-0860

DO NOT USE THIS SPACE

9. 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.

James A. Trigg _____
Name of Person Signing Signature

Date: 8/25/00

Total number of pages including cover sheet, attachments, and document: **38**

11-15-2000
11-FC:461
12-FC:482

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of November 3, 1999, by and among Video Networks, Inc., a Georgia corporation ("Purchaser"), DirectSight Networks, Inc., a Georgia corporation ("Seller"), and Kipp Jones and Brian Godinez (collectively, the "Shareholders").

Preamble

The Purchaser and Seller are of the opinion that the transactions described herein are in the best interests of the parties and their respective shareholders. Seller is in the business of Internet Video Services (the "Business"). This Agreement provides for the acquisition by Purchaser of certain assets used in or related to the operation of the Business. The transactions described in this Agreement have been approved by the shareholders of Seller.

NOW, THEREFORE, in consideration of the above and the mutual warranties, representations, covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I PURCHASE OF RIGHTS AND ASSETS

1.1 Agreement to Purchase and Sell. Subject to the terms and conditions set forth herein, Seller agrees to sell, convey, transfer, assign and deliver to Purchaser, and Purchaser agrees to purchase all of Seller's right, title and interest in and to the assets owned by Seller set forth in Exhibit A attached hereto, free and clear of all Liens, charges, claims or encumbrances whatsoever (collectively the "Assets").

1.2 Time and Place of Closing. The closing (the "Closing") shall take place at 10:00 A.M. on the date hereof (the "Closing Date"). The place of Closing is the offices of Alston & Bird LLP, One Atlantic Center, 1201 West Peachtree Street, Atlanta, Georgia 30309-3424, or such other place as mutually agreed upon by Seller and Purchaser.

1.3 Consideration. The total consideration for the Assets shall be Eighty-Five Thousand Dollars (\$85,000), payable at Closing.

1.4 Liabilities. Purchaser, by entering into this Agreement and consummating the transactions contemplated hereby, is not assuming or agreeing to pay or otherwise become liable for any indebtedness, obligations or Liabilities of Seller or the Shareholders of any type or nature whatsoever, and Purchaser shall not assume any such Liabilities or obligations nor shall Purchaser become liable on any such debts, Liabilities or obligations. Seller and the Shareholders shall pay all stamp, sales, income, realty transfer or other taxes, federal, state or local, imposed on Seller and the Shareholders, and Purchaser will pay all such taxes imposed on Purchaser, in respect of any and all transfers pursuant to the terms of this Agreement.

1.5 Items to be Delivered at Closing. At Closing and subject to the terms and conditions contained herein:

(a) Seller and the Shareholders shall deliver to Purchaser the following:

(i) An Assignment Agreement (the "Assignment") assigning to Purchaser all of the right, title and interest of Seller and the Shareholders in and to the Assets, executed by Seller and the Shareholders substantially in the form of Exhibit B attached hereto;

(ii) All tangible embodiments of the Assets;

(iii) All releases and terminations of any Liens, claims, charges, security interests or encumbrances relating to the Assets such that at Closing, the Assets are transferred to Purchaser free and clear of all Liens, claims, charges, security interests and other encumbrances of any kind or nature; and

(iv) Certified copies of resolutions duly adopted by Seller's Board of Directors and shareholders evidencing the taking of all corporate action necessary to authorize the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, all in such reasonable detail as Purchaser and its counsel shall request.

(b) Purchaser shall deliver to Seller the following:

(i) a counterpart original to the Assignment; and

(ii) \$85,000 in cash payable to the Persons or entities and in the amounts set forth on Schedule 1.5(b)(ii) via wire transfer of immediately available funds or check.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER AND THE SHAREHOLDERS

Seller and the Shareholders, jointly and severally, hereby represent and warrant to Purchaser as of the date hereof as follows:

2.1 Organization, Standing, and Power. Seller is a corporation duly organized, validly existing, and in good standing under the Laws of the state of Georgia, and has the corporate power and authority to carry on its business as it has been and is now being conducted and to own, lease and operate its assets. Seller is duly qualified or licensed to transact business as a foreign corporation and is in good standing in all jurisdictions where the character of its assets or the nature or conduct of its business requires it to be so qualified or licensed, except for such jurisdictions in which the failure to be so qualified or licensed will not have, in the aggregate, a Material Adverse Effect on Seller. A copy of the Articles of Incorporation and all amendments thereto of Seller and the bylaws, as amended, of Seller and copies of the corporate minutes (or resolutions adopted by the shareholders or Board of Directors) of Seller, which have been given to Purchaser for review, are true and complete, in all Material respects, as in effect on the date of this Agreement, and accurately reflect all proceedings of the shareholders and Board of Directors of Seller. The stock record books of Seller, which have been given to Purchaser for review, contain true and complete records of the stock ownership of Seller and all prior transfers of the shares of its capital stock.

2.2 Authorization of Agreement; No Breach. The execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action of the Board of Directors and shareholders of Seller. This Agreement constitutes, and all agreements and other instruments and documents to be executed and delivered by Seller and the Shareholders pursuant to this Agreement will constitute, legal, valid and binding obligations of Seller and the Shareholders enforceable against Seller and the Shareholders in accordance with their respective terms except as may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, or as may be modified by a court of equity. The execution, delivery and performance of this Agreement and the agreements and other documents and instruments to be executed and delivered by Seller and the Shareholders pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby will not, subject to obtaining the consents identified herein, (i) violate or result in a breach of or Default under the Articles of Incorporation or bylaws of Seller or any other Material instrument or agreement to which Seller or either of the Shareholders is a party or is bound; (ii) to the knowledge of Seller and the Shareholders, violate any Law, administrative decision or award of any court, arbitrator, mediator, tribunal, administrative agency or governmental body applicable to or binding upon Seller or either of the Shareholders or upon its or their

securities, property or business; (iii) conflict with or constitute a Default under any Material Contract to which Seller or either of the Shareholders is a party or by which Seller or either of the Shareholders is bound; or (iv) create a Lien upon the Assets.

2.3 Capital Stock. The authorized capital stock of Seller consists of 4,000,000 shares of common stock, of which 3,662,000 are issued and outstanding as of the date of this Agreement and are held by the shareholders set forth on Schedule 2.3 hereto. There are no outstanding warrants, options, rights, calls or other commitments of any nature relating to the capital stock of Seller or the Assets.

2.4 Seller Subsidiaries. Seller has no Subsidiaries.

2.5 Absence of Undisclosed Liabilities. Schedule 2.5 contains a list of the Liabilities of Seller and the Persons or entities to whom such Liabilities are owed. Except as disclosed on Schedule 2.5, Seller does not have any Undisclosed Liabilities.

2.6 Absence of Changes. Since the date of incorporation of Seller, neither Seller nor either of the Shareholders has taken any action, or permitted any action to be taken, or agreed, whether in writing or otherwise, to take any action, outside the ordinary course of business and consistent with past practice or, whether or not outside the ordinary course of business and consistent with past practice, any action that could have a Material Adverse Effect on Seller or the Assets or the ability of Seller or either of the Shareholders to consummate the transactions contemplated hereby.

2.7 Tax Matters.

(a) Seller has filed (or, in the case of Tax returns not yet due, will file) all Tax returns required to be filed as of the date hereof and such returns are true and correct in all Material respects and properly reflect the Tax Liabilities of Seller for the periods, property or events covered thereby, and Seller has paid all Taxes (including penalties and interest in respect thereof, if any) that have become or are due with respect to any period through the date hereof whether shown on such returns or not. There are no Tax Liens on any of the Assets. Seller has not been informed that any returns so filed have been or will be examined by the Internal Revenue Service or any state agency with respect to any such period. Seller has not received notice of any Material Tax claims being asserted or any proposed assessment by any taxing authority and no Tax returns thereof have been examined by the Internal Revenue Service or the appropriate state agencies for any fiscal year or period ended prior to the date hereof for which the applicable statute of limitations period has not expired, and Seller is not presently under, nor has it received notice of any contemplated, investigation or audit by the Internal Revenue Service or any state agency concerning any fiscal year or period ended prior to the date hereof for which the applicable statute of limitations period has not expired. Seller has not executed any extension or waivers of any statute of limitations on the assessment or collection of any Tax due that is currently in effect.

(b) Seller has withheld or collected from each payment made to its employees the amount of all Taxes required to be withheld or collected therefrom and has paid the same to the proper tax depositories or collecting authorities.

2.8 Intellectual Property. Schedule 2.8 contains a true and complete list of all Intellectual Property owned by, registered in the name of, or used by Seller in the Business, or for which application has been made. All such Intellectual Property rights are in full force and effect and constitute legal, valid and binding obligations of the respective parties thereto; and there have not been, and to the knowledge of Seller and the Shareholders, there currently are not any Defaults thereunder by any party. Seller owns or is a valid licensee of all such Intellectual Property rights free and clear of all Liens or claims of infringement. Seller and the Shareholders have not infringed the Intellectual Property rights of others and none of the Intellectual Property rights used in the Business infringe upon or otherwise violate the rights of others, nor has any Person asserted a claim of such infringement. Seller and the Shareholders are not obligated to pay any royalties to any Person or entity with respect to any such Intellectual Property.

2.9 Title. Seller has, and upon consummation of the transaction contemplated hereby, Purchaser shall have, good, valid and marketable title to all of the Assets, free and clear of all Liens, Liabilities, security interests, charges, claims and other encumbrances. All of the Assets are in good operating condition and state of repair.

2.10 Compliance with Laws.

(a) To the knowledge of Seller and the Shareholders, Seller has in effect all Permits necessary for it to own, lease or operate its Assets and to carry on its business as now conducted, except for those Permits the absence of which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the Assets. Seller is not in violation of any Orders or Permits, or to the knowledge of Seller and the Shareholders, any Laws, applicable to the Assets, except for violations which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the Assets. No notice or warning from any Regulatory Authority with respect to any failure or alleged failure of Seller to comply with any Law has been received, nor, to the knowledge of Seller and the Shareholders, is any such notice or warning proposed or threatened.

(b) No consent or approval of, prior filing with or notice to, or other action by, any Regulatory Authority or any other third party is required in connection with the execution and delivery of this Agreement or any assignment, agreement or other instrument to be executed and delivered pursuant to this Agreement by Seller or the Shareholders or the consummation of the transactions provided for herein or therein except for such consents and approvals that have been obtained and filings, notices and other actions that have been taken or made.

2.11 Environmental Matters. There are no actions, suits, proceedings or investigations, or to the best knowledge of Seller and the Shareholders, claims, related to Environmental Laws with respect to the ownership, use, condition or operation of the Business or any of the Assets in any court or before or by any federal, state or other governmental agency or private arbitration tribunal (hereinafter collectively referred to as "Environmental Litigation"). There are no existing Material violations of federal, state or local Environmental Laws by Seller with respect to the ownership, use, condition, lease or operation of the Business or any of the Assets. Seller has not used any of its assets or premises for the handling, treatment, storage, or disposal of any Hazardous Substances except in Material compliance with all applicable Environmental Laws. No written or oral notice, or other communication from any court or governmental agency, official or instrumentality, of any alleged violation of any Law related to Environmental Matters has been filed or communicated to Seller with respect to the Business or the use, ownership, condition, operation, or disposal of any of the Assets. To the knowledge of Seller and the Shareholders, no basis exists for the allegation of any such violations.

2.12 Litigation and Claims. There are no outstanding court orders or administrative decisions to which Seller or either of the Shareholders is subject, and there is no Litigation pending or threatened against or relating to Seller or its Assets or Business or either of the Shareholders, and to the knowledge of Seller and the Shareholders, there is no event which has occurred for which any such action or any state of facts or occurrence of any event which might give rise to the foregoing. None of the Assets has been used for an illegal purpose.

2.13 Contracts and Commitments. Schedule 2.13 sets forth a true, correct and complete list of Contracts to which Seller or either of the Shareholders is a party relating to the Assets, all of which have been given to Purchaser for review.

2.14 Benefit Plans. Seller does not have any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974, as amended.

2.15 Union and Employment Agreements. Seller is not a party to any union agreement, nor does Seller have any written or oral agreement that is not terminable by it at will with any of its officers, directors,

employees, consultants, agents, or any other person performing services therefor, relating to their employment by or performance of services for Seller or their compensation therefor.

2.16 Interested Transactions. Except as set forth on Schedule 2.16, Seller is not currently a party to any Contract, loan or other transaction relating to the Assets with any of the following persons, or in which any of the following persons have any direct or indirect interest (other than as a shareholder of Seller):

(i) any director, officer, employee of Seller or any of the shareholders of Seller;

(ii) any of the spouses, parents, siblings, children, aunts, uncles, nieces, nephews, in-laws and grandparents of any of the persons described in clause (i); or

(iii) any corporation, trust, partnership or other entity in which any of the persons described in clauses (i) or (ii) has a beneficial interest (other than in a corporation whose shares are publicly traded and in which such persons own beneficially in the aggregate no more than 5% of the equity interest).

2.17 Year 2000. All computer software included in the Assets, are and will be able accurately to: (i) process any date rollover, (ii) process calculations or computations regardless of the dates used in such calculations whether before, on or after January 1, 2000, (iii) accept and respond to two (2) digit year date input in a manner that resolves any ambiguities as to the century to which such two (2) digit year date input relates in an appropriate manner and (iv) store and display date data in a manner that is unambiguous as to the century to which such two (2) digit year date input relates. None of the above-referenced computer software is expected to malfunction, cease to function, generate incorrect data or provide incorrect results when providing and/or receiving data in connection with any valid date, whether occurring before, on or after January 1, 2000.

2.18 Brokers and Finders. No broker, agent, finder or consultant or other person has been retained by or on behalf of Seller or either of the Shareholders (other than legal or accounting advisors), or is entitled to be paid based upon any agreements or understandings made by Seller or either of the Shareholders in connection with the transactions contemplated hereby. Neither Purchaser, Seller nor the Shareholders shall have any Liability for any broker's fee, finder's fee, consultant's fee or similar third party remuneration by reason of any action of Seller or either of the Shareholders.

2.19 Statements True and Correct. No statement, certificate, instrument, or other writing furnished or to be furnished by Seller or either of the Shareholders to Purchaser pursuant to this Agreement or any other document, agreement, or instrument referred to herein furnished by Seller or either of the Shareholders contains or will contain any untrue statement of Material fact or will omit to state a Material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.20 Schedules. All Schedules attached hereto are true, correct and complete as of the date of this Agreement. Matters disclosed on each Schedule shall be deemed disclosed only for purposes of the matters to be disclosed on such Schedule and shall not be deemed to be disclosed for any other purpose unless expressly provided therein.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

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

3.1 Organization, Standing, and Power. Purchaser is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Georgia, and has the power and authority to carry on its business as it has been and is now being conducted and to own, lease and operate its assets. Purchaser is duly qualified or licensed to transact business as a foreign corporation and is in good standing in all jurisdictions where the character of its assets or the nature or conduct of its business requires it to be so qualified or licensed,

except for such jurisdictions in which the failure to be so qualified or licensed is not reasonably likely to have, in the aggregate, a Material Adverse Effect on Purchaser.

3.2 Authorization of Agreement; No Breach. The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action of Purchaser. This Agreement constitutes, and all agreements and other instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement will constitute, legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms. The execution, delivery and performance of this Agreement and the agreements and other documents and instruments to be executed and delivered by Purchaser pursuant to this Agreement and the consummation of the transactions contemplated hereby and thereby will not, subject to obtaining the consents identified herein, (i) violate or result in a breach of or Default under the Articles of Incorporation or bylaws of Purchaser or any other Material instrument or agreement to which Purchaser is a party or is bound; (ii) to the knowledge of Purchaser, violate any Law, administrative decision or award of any court, arbitrator, mediator, tribunal, administrative agency or governmental body applicable to or binding upon Purchaser or upon its securities, property or business; or (iii) conflict with or constitute a Default under any Material Contract to which Purchaser is a party or by which Purchaser is bound.

3.3 Brokers and Finders. No broker, agent, finder or consultant or other person has been retained by or on behalf of Purchaser (other than legal or accounting advisors), or is entitled to be paid based upon any agreements or understandings made by Purchaser in connection with the transactions contemplated hereby. Neither Seller, the Shareholders nor Purchaser shall have any Liability for any broker's fee, finder's fee, consultant's fee or similar third party remuneration by reason of any action of Purchaser.

3.4 Statements True and Correct. No statement, certificate, instrument or other writing furnished or to be furnished by Purchaser to Seller pursuant to this Agreement or any other document, agreement or instrument referred to herein contains or will contain any untrue statement of Material fact or will omit to state a Material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE IV ADDITIONAL AGREEMENTS

4.1 Investigation and Confidentiality.

(a) Each Party shall, and shall cause its advisers and agents to, maintain the confidentiality of all confidential information not otherwise in the public domain furnished to it by the other party concerning its businesses, operations, customers and financial position and shall not use such information for any purpose except in furtherance of the transactions contemplated by this Agreement.

(b) Each party hereto agrees to give the other party notice as soon as practicable after any determination by it of any fact or occurrence relating to the other party which it has discovered through the course of its investigation and which represents, or is reasonably likely to represent, either a Material breach of any representation, warranty, covenant or agreement of the other party or which has had or is reasonably likely to have a Material Adverse Effect on the other party.

4.2 Press Releases. Each party hereto shall consult with each other as to the form and substance of any press release or other public disclosure materially related to this Agreement or any other transaction contemplated hereby; provided, that nothing in this Section 4.2 shall be deemed to prohibit any party hereto from making any disclosure which its counsel deems necessary or advisable in order to satisfy such party's disclosure obligations imposed by Law.

ARTICLE V POST-CLOSING COVENANTS

5.1 Employment by Purchaser of Certain Shareholders. Purchaser agrees to employ the Shareholders and the Shareholders hereby accept employment with Purchaser, in accordance and subject to the terms and conditions of the Letter of Employment attached hereto as Schedule 5.1. If a Shareholder leaves the employment of Purchaser for any reason (including termination by Purchaser with Cause) or no reason prior to January 31, 2001, then such Shareholder shall pay to Purchaser the sum of forty-two thousand five hundred dollars (\$42,500); provided, however, that the obligation to pay such sum to Purchaser shall be reduced by twenty percent (20%) at the end of each three (3) month period of such Shareholder's employment with Purchaser (for example, if employment begins on November 1, 1999, on February 1, 2000 the obligation to pay such sum to Purchaser shall be reduced to \$34,000). Such Shareholder shall pay Purchaser the amount of such sum that remains outstanding within thirty (30) days after such Shareholder's employment with Purchaser ends. Termination by Purchaser with Cause shall mean termination for 1) failure of the Shareholder to follow the Video Networks Employee Handbook, including the Standards of Conduct, Harassment Policies and Conflicts of Interest Sections 2) indictment and/or conviction of criminal activities 3) failure of Shareholder to adequately perform duties to the extent reasonably expected of persons in similar roles, duties and compensation levels. For the avoidance of doubt, if a Shareholder is terminated by Purchaser without Cause (as determined in the sole discretion of the Chief Executive Officer of Purchaser) prior to January 31, 2001, such Shareholder shall not be obligated to pay Purchaser the amount of such sum that remains outstanding.

5.2 Discharge of Liabilities. As soon as practicable after the Closing, Seller and the Shareholders shall pay and discharge all of the Liabilities of Seller as described and in the amounts set forth on Schedule 2.5 and not paid at Closing in accordance with Section 1.5(b)(ii).

5.3 Payoff Letters. As soon as practicable after Closing, Seller and the Shareholders shall provide Purchaser with executed Payoff Letters, substantially in the form of Exhibit C attached hereto, confirming the satisfaction in full of each Liability set forth on Schedule 2.5.

5.4 Dissolution. As soon as practicable after the Closing, Seller and the Shareholders shall take all necessary or appropriate actions to dissolve Seller in accordance with applicable law.

ARTICLE VI INDEMNIFICATION

6.1 Survival of Representations and Warranties; Indemnification. All representations, warranties, agreements, covenants and obligations made or undertaken by Seller or the Shareholders in this Agreement or in any document, instrument or agreement executed and delivered pursuant hereto are material, have been relied upon by Purchaser and shall survive the Closing hereunder and shall not merge in the performance of any obligations by any party hereto.

6.2 Indemnification by Seller and the Shareholders. Seller and the Shareholders, jointly and severally, agree to indemnify and hold Purchaser harmless from and against all liability, loss, damage or injury and all reasonable costs and expenses (including reasonable counsel fees and costs of any suit related thereto) suffered or incurred by Purchaser arising from (i) any misrepresentation or breach of any covenant or warranty of Seller or either of the Shareholders contained in this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished by Seller or either of the Shareholders hereunder; (ii) any suit, action, proceeding, claim or investigation pending or threatened against or affecting the Assets, regardless of whether it is disclosed, that arises from the conduct of the Business prior to the Closing Date; (iii) any claim for a debt, obligation or liability of Seller or either of the Shareholders; (iv) any claim or right, or any alleged claim or right, of third persons by virtue of application of bulk sales laws, laws relating to sales and use taxes or otherwise which may be asserted against any of the Assets; and (v) the assertion by any taxing authority against the Assets of any liability for taxes, interest or penalties relating to a period or event prior to the Closing Date, or the imposition of any lien or other encumbrance arising therefrom. Any examination, inspection by audit of the properties, Assets, financial condition or other matters of Seller, the Shareholders or the Business conducted by Purchaser or its representatives prior to the date hereof shall in no way limit, affect or impair the ability of Purchaser to rely upon the representations, warranties, covenants and

obligations of Seller and the Shareholders set forth herein. Such indemnification by the Seller and Shareholder shall be limited to claims and/or actions begun within three (3) following the closing of the purchase acquisition.

6.3 Survival of Representations and Warranties of Purchaser. All representations, warranties, agreements, covenants and obligations made or undertaken by Purchaser in this Agreement or in any document or instrument executed and delivered pursuant hereto are material, have been relied upon by Seller and the Shareholders and shall survive the Closing hereunder and shall not merge in the performance of any obligation by any party hereto. Purchaser agrees to indemnify and hold Seller and the Shareholders harmless from and against all liability, loss, damage or injury and all reasonable costs and expenses (including reasonable counsel fees and costs of any suit related thereto) suffered or incurred by Seller and the Shareholders arising from any misrepresentation, or breach of any covenant or warranty of Purchaser contained in this Agreement, or from any misrepresentations in or omissions from any certificate or other instrument furnished or to be furnished by Purchaser hereunder. Such indemnification by the Seller and Shareholder shall be limited to claims and/or actions begun within three (3) years following the closing of the purchase acquisition.

ARTICLE VII **MISCELLANEOUS**

7.1 Definitions.

(a) Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

"Agreement" shall mean this Asset Acquisition Agreement, including the Exhibits and Schedules delivered pursuant hereto and incorporated herein by reference.

"Cause" shall, with respect to a Shareholder, mean (i) the willful and continued failure of such Shareholder to substantially comply with the lawful directions of the Board of Directors of Purchaser or such Shareholder's supervisory personnel (other than any such failure resulting from incapacity due to physical or mental illness, or death, and (ii) any criminal act or act of dishonesty, disloyalty, misconduct or moral turpitude by such Shareholder that is injurious to the property, operations, business or reputation of Purchaser or any affiliate thereof.

"Consent" shall mean any consent, approval, authorization, clearance, exemption, waiver, or similar affirmation by any Person pursuant to any Contract, Law, Order, or Permit.

"Contract" shall mean any Material written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, obligation, plan, practice, restriction, understanding or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets or business.

"Default" shall mean (i) any breach or violation of or default under any Contract, Order or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a breach or violation of or default under any Contract, Order or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right to terminate or revoke, change the current terms of, or renegotiate, or to accelerate, increase, or impose any Liability under, any Contract, Order or Permit.

"Environmental Laws" shall mean all Laws relating to pollution or protection of human health or the environment (including ambient air, surface water, ground water, land surface or subsurface strata) and which are administered, interpreted or enforced by the United States Environmental Protection Agency and state and local agencies with jurisdiction over, and including common law in respect of, pollution or protection of the environment, including the Comprehensive Environmental Response Compensation and Liability Act, as

amended, 42 U.S.C. 9601 *et seq.* ("CERCLA"), the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 *et seq.* ("RCRA"), and other Laws relating to emissions, discharges, releases or threatened releases of any Hazardous Substance, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Substance.

"Exhibits" shall mean the Exhibits so marked, copies of which are attached to this Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Agreement and any other related instrument or document without being attached hereto.

"GAAP" shall mean generally accepted accounting principles, consistently applied during the periods involved.

"Hazardous Substance" shall mean (i) any hazardous substance, hazardous material, hazardous waste, regulated substance or toxic substance (as those terms are defined by any applicable Environmental Laws) and (ii) any chemicals, pollutants, contaminants, petroleum, petroleum products, or oil (and specifically shall include asbestos requiring abatement, removal or encapsulation pursuant to the requirements of Regulatory Authorities and any polychlorinated biphenyls).

"Intellectual Property" shall mean the copyrights, patents, trademarks, service marks, service names, tradenames, applications therefor, technology rights and licenses, computer software (including, without limitation, any source or object codes therefor or documentation relating thereto), trade secrets, franchises, know-how, inventions and other intellectual property rights.

"Law" shall mean any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, Liabilities or business, including those promulgated, interpreted or enforced by any Regulatory Authority.

"Liability" shall mean any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

"Lien" shall mean any conditional sale agreement, default of title, easement, encroachment, encumbrance, hypothecation, infringement, lien, mortgage, pledge, reservation, restriction, security interest, title retention or other security arrangement, or any adverse right or interest, charge, or claim of any nature whatsoever of, on, or with respect to any property or property interest, other than (i) Liens for current property Taxes not yet due and payable and (ii) Liens which are not reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on a Party.

"Litigation" shall mean any suit, action, arbitration, cause of action, claim, complaint, criminal prosecution, demand letter, governmental or other examination or investigation, hearing, inquiry, administrative or other proceeding, or notice (written or oral) by any Person alleging potential Liability or requesting information relating to or affecting a party hereto, its business, its assets, or the transactions contemplated by this Agreement.

"Material" for purposes of this Agreement shall be determined in light of the facts and circumstances of the matter in question; provided that any specific monetary amount stated in this Agreement shall determine materiality in that instance.

"Material Adverse Effect" on a Party shall mean an event, change or occurrence which, individually or together with any other event, change or occurrence, has a Material adverse impact on (i) the financial position, business, or results of operations of such Party and its Subsidiaries, taken as a whole, or (ii) the ability of such Party to perform its obligations under this Agreement or the transactions contemplated by

this Agreement, provided that Material Adverse Effect shall not be deemed to include the impact of (x) changes in Laws of general applicability or interpretations thereof by courts or governmental authorities, (y) changes in generally accepted accounting principles, and (z) the Acquisition and compliance with the provisions of this Agreement on the operating performance of the Parties or actions taken pursuant to or required by this Agreement.

"Order" shall mean any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency or Regulatory Authority.

"Permit" shall mean any federal, state, local, and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets or business.

"Person" shall mean a natural person or any legal, commercial or governmental entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert, or any person acting in a representative capacity.

"Regulatory Authorities" shall mean, collectively, all federal and state regulatory agencies having jurisdiction over the parties hereto.

"Representative" shall mean any investment banker, financial advisor, attorney, accountant, consultant, or other representative of a Person.

"Seller" shall mean DirectSight Networks, Inc., a Georgia corporation.

"Subsidiaries" shall mean all those corporations, partnerships, associations, or other entities of which the entity in question owns or controls 50% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 50% or more of the outstanding equity securities is owned directly or indirectly by its parent; provided, there shall not be included any such entity acquired through foreclosure or any such entity the equity securities of which are owned or controlled in a fiduciary capacity.

"Tax" or "Taxes" shall mean any federal, state, county, local, or foreign income, profits, franchise, gross receipts, payroll, sales, employment, use, property, withholding, excise, occupancy, and other taxes, assessments, charges, fares, or impositions, including interest, penalties, and additions imposed thereon or with respect thereto.

"Undisclosed Liabilities" shall mean any liability or obligation of Seller, whether accrued, liquidated, unliquidated, absolute, contingent, matured, unmatured or otherwise, as of the Closing Date, that is not fully disclosed in Schedule 2.5 to this Agreement.

(b) In addition to the terms defined in Section 7.1(a) above, the terms set forth below shall have the meanings ascribed thereto in the referenced sections:

Assets – Section 1.1
Business – Preamble
Closing – Section 1.2

Closing Date – Section 1.2
Environmental Litigation - Section 2.11

(c) Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation."

7.2 Expenses. Purchaser, Seller and the Shareholders shall each bear and pay all direct costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial or other consultants, investment bankers, accountants, and counsel.

7.3 Brokers and Finders. Each of the parties hereto represents and warrants that neither it nor any of its officers, directors, employees, or affiliates has employed any broker or finder or incurred any Liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Agreement or the transactions contemplated hereby. In the event of a claim by any broker or finder based upon his or its representing or being retained by or allegedly representing or being retained by Seller either of the Shareholders, Purchaser, each of Seller, the Shareholders and Purchaser, as the case may be, agrees to indemnify and hold the other parties hereto harmless of and from any Liability in respect of any such claim.

7.4 Entire Agreement. Except as otherwise expressly provided herein, this Agreement (including the documents and instruments referred to herein) constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings with respect thereto, written or oral. Nothing in this Agreement, expressed or implied, is intended to confer upon any Person, other than the parties hereto or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Agreement.

7.5 Amendments. This Agreement may be amended by a subsequent writing signed by each of the parties hereto.

7.6 Waivers. The failure of any party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same or any other provision of this Agreement. No waiver of any condition or of the breach of any term contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of such condition or breach or a waiver of any other condition or of the breach of any other term of this Agreement. No waiver shall be effective unless in writing.

7.7 Assignment. Except as expressly contemplated hereby, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by Seller or either of the Shareholders without the prior written consent of the Purchaser. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

7.8 Notices. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission, by registered or certified mail, postage pre-paid, or by courier or overnight carrier, to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

Seller(s): DirectSight Networks, Inc.
 1175 Lyndhurst Way
 Roswell, GA 30075

Kipp Jones

Brian Godinez

Copy to Counsel: Morris, Manning & Martin LLP
3343 Peachtree Rd., N.E.
Atlanta, Georgia 30326
Attn: John C. Yates, Esq.

Purchaser: Video Networks, Inc.
245 Hembree Park Drive, Suite 100
Roswell, Georgia 30076
Attn: Mark Adams

Copy to Counsel: Alston & Bird LLP
1201 West Peachtree Street
Atlanta, Georgia 30309-3424
Attn: B. Lynn Walsh, Esq.

7.9 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Georgia without regard to conflicts of laws principles.

7.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

7.11 Captions. The captions contained in this Agreement are for reference purposes only and are not part of this Agreement.

7.12 Interpretations. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party, whether under any rule of construction or otherwise. No party to this Agreement shall be considered the draftsman. The parties acknowledge and agree that this Agreement has been reviewed, negotiated and accepted by all parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as fairly to accomplish the purposes and intentions of all parties hereto.

7.13 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

7.14 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

7.15 Further Assurances. Each party hereto covenants that at any time, and from time to time, after the Closing Date, without additional consideration, it will execute such additional instruments and take such actions as may be reasonably requested by the other parties hereto to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

[Signatures on Next Page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the day and year first above written.

PURCHASER:

By: Mark B Adams
Mark Adams, Chief Financial Officer

ATTEST:

[Signature]
Title: CEO

SELLER:

By: [Signature]
Title: cto

[CORPORATE SEAL]

THE SHAREHOLDERS:

[Signature]
Kipp Jones
[Signature]
Brian Godinez

**Exhibit A
Assets**

The terms "Assets" as used herein includes all rights of inventorship and authorship, all rights in patents and patent applications, all copyrights, all trademark and service mark rights, all rights in trade secret and proprietary information, all rights of attribution and integrity and other moral rights, and all other intellectual property rights of any type and any and all works of authorship, inventions, discoveries, processes, machines, manufacturers, compositions of matter, formulas, techniques, computer programs, systems, software, source code, object code, mask works, trade secrets, proprietary information, schematics, flow charts, databases, customer lists, marketing plans, product plans, business strategies, financial information, forecasts, trademarks, service marks, brand names, trade names, compilations, documents, data, notes, designs, drawings, ideas, concepts, technical data and/or training materials, and improvements to or derivatives from any of the above, whether or not patentable, or subject to copyright or trademark or trade secret protection related to any and all of the following:

Soft Assets:	Trademarks/Service marks	VNOC
		Produce Once. View Anywhere.
		DirectSight
	Domains	directsight.com
		directsight.net
		directcast.net
		sightbroker.com
		sightstore.com
		videowallet.com
		videoforfree.com
		videocenter.com
	Intellectual Property	Business Plan (all versions)
		Budget Documents/Financials
		Beta Customer & Partner List
		Competitive Analysis Docs
		Development Plans
		Product Roadmaps
		Company Fact Sheet
		Executive Summary
		Sales & Marketing Plan
		NDA Template
		Beta Agreement Template
		Product Specs for SightServer, SightSuite, SightSolo
		VNOC Design Docs
		Company Collateral
	Software	SightServer: ColdFusion, Database design, Web Interface

Exhibit B
Assignment Agreement

ASSIGNMENT AGREEMENT

This Assignment Agreement (the "Agreement") is made and entered into as of November 2, 1999, by and among Video Networks, Inc., a Georgia corporation ("Assignee"), DirectSight Networks, Inc., a Georgia corporation and Kipp Jones and Brian Godinez (collectively "Assignor").

Pursuant to that certain Asset Purchase Agreement, dated as of the date hereof among Assignor and Assignee (the "Purchase Agreement"), Assignor has agreed to assign to Assignee all of Assignor's right, title and interest in and to all Assignor's assets listed on Schedule 1 attached hereto (the "Assets") and Assignee has agreed that it will accept such assignment. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Purchase Agreement.

In consideration of the mutual covenants set forth herein and in the Purchase Agreement and other good and valuable consideration, Assignor and Assignee hereby agree as follows:

1. Assignor hereby assigns, transfers and sets over unto Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Assets free and clear of all Liens, Liabilities, charges, encumbrances or claims whatsoever, to have and to hold unto Assignee, its successors and assigns, from and after the date hereof, and Assignee hereby accepts such assignment. In no event, however, shall Assignee be deemed to have assumed any liabilities of Assignor.

2. After delivery of this Assignment, Assignor shall, from time to time, at Assignee's request, execute and deliver to Assignee as appropriate, such other instruments of transfer and take such other actions as Assignee may reasonably request to effectively assign to Assignee the Assets in accordance with the Purchase Agreement.

3. This Assignment may not be modified, changed or supplemented except by written instrument signed by each party hereto.

4. This Assignment shall be binding upon and inure to the benefit of Assignor, Assignee, and their respective successors and assigns.

5. This Assignment shall be construed in accordance with the laws of the State of Georgia, without regard to the conflicts of laws principles thereof.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first written above.

Video Networks, Inc.

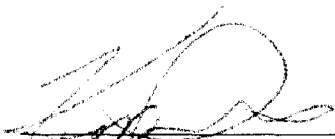
By: 

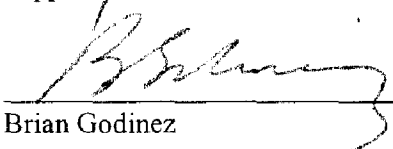
Its: CFO

DirectSight Networks, Inc.

By: 

Its: CEO


Kipp Jones


Brian Godinez

Signature Page to Assignment Agreement

Schedule 1 (Assignment Agreement)

Assets

The terms "Assets" as used herein includes all rights of inventorship and authorship, all rights in patents and patent applications, all copyrights, all trademark and service mark rights, all rights in trade secret and proprietary information, all rights of attribution and integrity and other moral rights, and all other intellectual property rights of any type and any and all works of authorship, inventions, discoveries, processes, machines, manufacturers, compositions of matter, formulas, techniques, computer programs, systems, software, source code, object code, mask works, trade secrets, proprietary information, schematics, flow charts, databases, customer lists, marketing plans, product plans, business strategies, financial information, forecasts, trademarks, service marks, brand names, trade names, compilations, documents, data, notes, designs, drawings, ideas, concepts, technical data and/or training materials, and improvements to or derivatives from any of the above, whether or not patentable, or subject to copyright or trademark or trade secret protection related to any and all of the following:

Soft Assets:	Trademarks/Service marks	VNOC
		Produce Once. View Anywhere.
		DirectSight
	Domains	directsight.com
		directsight.net
		directcast.net
		sightbroker.com
		sightstore.com
		videowallet.com
		videoforfree.com
		videocenter.com
	Intellectual Property	Business Plan (all versions)
		Budget Documents/Financials
		Beta Customer & Partner List
		Competitive Analysis Docs
		Development Plans
		Product Roadmaps
		Company Fact Sheet
		Executive Summary
		Sales & Marketing Plan
		NDA Template
		Beta Agreement Template
		Product Specs for SightServer, SightSuite, SightSolo
		VNOC Design Docs
		Company Collateral
	Software	SightServer: ColdFusion,

**Exhibit C
Payoff Letter**

PAYOFF LETTER

[Date]

Video Networks, Inc.
245 Hembree Park Drive, Suite 100
Roswell, Georgia 30076
Attn: Mark Adams

Re: Debt owing from DirectSight Networks, Inc. ("DirectSight")

Ladies and Gentlemen:

This letter is to confirm to you that the amount necessary to pay and satisfy in full the indebtedness and other obligations owing to the undersigned by DirectSight has been paid as of **[date]**. The undersigned further agrees to deliver to you, upon your request, such other appropriate documentation as may be reasonably necessary or appropriate to confirm the foregoing.

Very truly yours,

[Name of Creditor] _____

By: _____
Name: _____
Title: _____

Schedule 1.5(b)(ii)
Liabilities of Seller to be paid at Closing
(to whom and amounts)

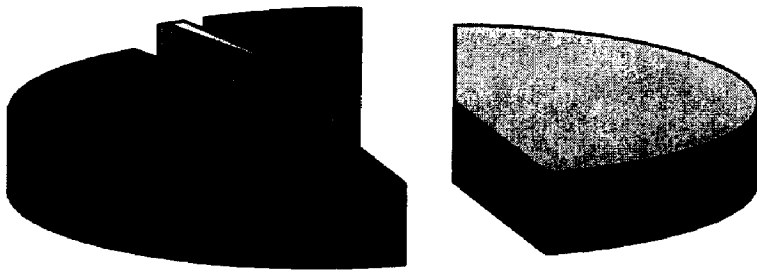
	Debt	Description	Amount	Proposed	Final
Loans/Notes:	Pam Jones	Loan	\$ 10,000.00	\$ 10,000.00	\$ 2,415.03
	Pam Jones	Line of Credit	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
	Harold Klein	Loan	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Accounts Payable:	Level 3 Communications	IP Co-location	\$ 5,450.00	\$ -	\$ -
	American Express	Final Bill	\$ 4,109.68	\$ 4,109.68	\$ 4,109.68
	Foundry Networks	Switch	\$ 3,297.75	\$ 611.15	\$ 611.15
	Tom Foty	Domain	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
	Folio Z Marketing	Marketing	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
	MM&M	Legal	\$ 16,564.14	\$ 16,564.14	\$ 16,564.14
	Keating Communications	Mktg Research	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
Contracts:	Fiscal Control	CFO - Retainer	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00
	Level 3 Communications	IP Contract	\$ 23,100.00	\$ -	\$ -
Equity:	Fiscal Control	Equity for Services	\$ 2,300.00	\$ 2,300.00	\$ 2,300.00
	Total Liabilities:		\$ 135,321.57	\$ 92,584.97	\$ 85,000.00

Schedule 2.3
Shareholders of Seller

DirectSight Company Ownership - 11/01/99

Total Authorized Shares 4,000,000

Owner	Shares	Percent
Kipp Jones	1,800,000	45.00%
Brian Godinez	1,800,000	45.00%
Jim Pitkow	12,000	0.30%
Morris, Martin & Manning	40,000	1.00%
Option Pool	348,000	8.70%
Total	4,000,000	100.00%



- Kipp Jones
- Brian Godinez
- Jim Pitkow
- Morris, Martin & Manning
- Option Pool

Schedule 2.5
Liabilities of Seller
(to whom and amounts)

	Debt	Description	Amount	Proposed	Final
Loans/Notes:	Pam Jones	Loan	\$ 10,000.00	\$ 10,000.00	\$ 2,415.03
	Pam Jones	Line of Credit	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
	Harold Klein	Loan	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Accounts Payable:	Level 3 Communications	IP Co-location	\$ 5,450.00	\$ -	\$ -
	American Express	Final Bill	\$ 4,109.68	\$ 4,109.68	\$ 4,109.68
	Foundry Networks	Switch	\$ 3,297.75	\$ 611.15	\$ 611.15
	Tom Foty	Domain	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
	Folio Z Marketing	Marketing	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
	MM&M	Legal	\$ 16,564.14	\$ 16,564.14	\$ 16,564.14
	Keating Communications	Mktg Research	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
Contracts:	Fiscal Control	CFO - Retainer	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00
	Level 3 Communications	IP Contract	\$ 23,100.00	\$ -	\$ -
Equity:	Fiscal Control	Equity for Services	\$ 2,300.00	\$ 2,300.00	\$ 2,300.00
	Total Liabilities:		\$ 135,321.57	\$ 92,584.97	\$ 85,000.00

Name	Address	Phone
Pam Jones	1175 Lyndhurst Way Roswell, GA 30075	(770) 594-2548
Harold Klein	8712 Ridgehill Drive Austin, TX 78759	512-345-8066
Level 3 Communicati ons	Level 3 Communications, LLC	404-253-1906
Ron Pinto	Department 182 Denver, CO 80291-0182	
Foundry Networks	680 W. Maude Ave. Suite 3 Sunnyvale, CA 94086	
American Express	P.O. Box 297885 Ft. Lauderdale, FL 33329-7885	1 (800) 492-3344
# 37271099146 1009		
Tom Foty	2001 N. Adams St. # 719 Arlington, VA 22201-3751	703 527-4347
Folio Z Marketing	1201 Peachtree Street NE	(404) 881-8765
Sandy Cash	Suite 1800 Atlanta, GA 30361	
Morris, Manning & Martin	1600 Atlanta Financial Center	(404) 233-7000
Cass Brewer	3343 Peachtree Road, N.E. Atlanta, GA 30326-1044	
Keating Communicati ons	343 Millburn Avenue	973-376-9300
Rick Keating	Millburn, NJ 07041	
Fiscal Control	1635 N. Pelham Road NE	
John Coleman	Atlanta, GA 30324	404-876-8094

Schedule 2.8
Intellectual Property

Soft Assets:	Trademarks/Service marks	VNOC
		Produce Once. View Anywhere.
		DirectSight
	Domains	directsight.com
		directsight.net
		directcast.net
		sightbroker.com
		sightstore.com
		videowallet.com
		videoforfree.com
		videocenter.com
	Intellectual Property	Business Plan (all versions)
		Budget Documents/Financials
		Beta Customer & Partner List
		Competitive Analysis Docs
		Development Plans
		Product Roadmaps
		Company Fact Sheet
		Executive Summary
		Sales & Marketing Plan
		NDA Template
		Beta Agreement Template
		Product Specs for SightServer, SightSuite, SightSolo
		VNOC Design Docs
		Company Collateral
	Software	SightServer: ColdFusion, Database design, Web Interface

Schedule 2.13
Contracts

With	Type	Status
Level 3 Communications	IP Co-location	Terminate
Sun Microsystems	Development	Terminate
Real Networks	Development	Terminate
PRI	Resale/non-compete	Terminate
Advanced Recruiting	Customer	Transfer to Kipp Jones
The Fish Hawk	Customer	Transfer to Kipp Jones
MM&M	Legal Services/Equity	Terminate
Fiscal Control	CFO/Professional Services/Equity	Terminate
PriceWaterhouseCoop ers	CWEP Program	Terminate
SocketPR	Public Relations	Terminate
Tom Foty	Domain Purchase Agreement	Complete

**Schedule 2.16
Interested Transactions**

**Pam Jones, Wife of Kipp Jones
Kipp Jones, Individual
Brian Godinez, Individual**

Schedule 5.1
Letters of Employment



Video Networks Incorporated

October 15, 1999

Mr. Kipp Jones

Dear Kipp:

It is with sincere pleasure and excitement that I am able to offer you the position of Director, Streaming Video Technologies with Video Networks, Inc. As we discussed, Video Networks, Inc. has all the earmarks of a prominent success, but it is the people who will make this success a reality. We are very excited in extending to you an opportunity to play a key role in the company's future.

Your compensation in this position will be a semi-monthly salary of \$4,166.67, paid on the 15th and 30th/31st of each month. In addition, you will receive the other benefits afforded to all employees of VNI. These include personal time off (PTO) earned on a monthly basis, medical /dental coverage, life insurance, and a 401K program. Your employment with Video Networks, Inc. will begin no later than November 1, 1999.

As a key part of your compensation package, we will recommend to the Board of Directors at their next meeting that you be granted stock options for 50,000 Shares of VNI common stock in accordance with VNI's Incentive Stock Option Plan. These options will vest over a 4 year period, with one fourth fully vested at the end of twelve months and the remainder vesting monthly thereafter. We anticipate that these options will be granted at the fair market value per share.

In addition, you will be eligible for a 20% Incentive Bonus to be awarded at the end of year 2000, based upon the performance of the Company and achievement of your individual goals.

As a key member of the team, I am delighted that you will be joining Video Networks, Inc. Our success hinges upon the people who make up the team, and it is critical to our future that we maintain exceptionally high standards of excellence. I am personally excited about the strength you will lend to the team, and look forward to working with you. We all intend to build and maintain an organization of exceptional people, with fair

compensation, and to create an environment which enables each individual to realize their maximum potential. Toward this end, your employment with Video Networks, Inc. is voluntarily entered into and you are free to resign at any time for any reason. Similarly, the company has the right to terminate the employment relationship at any time for any reason.

While we hope that our relationship will be long and mutually beneficial, the company can give no guarantee or contract, either express or implied, of continued employment. This offer is contingent on signing both non-disclosure and assignment of intellectual property rights agreements along with completion by VNI of your references.

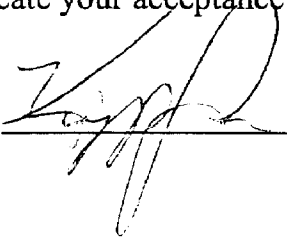
Kipp, I am delighted to have you join our team! I look forward to working with you and enjoying the success our team will realize together.

Sincerely,



Mark Adams
Vice President, CFO
Video Networks, Inc.

Please indicate your acceptance of this offer by signing below:

Accepted:  _____ Date: 10/27/99



Video Networks Incorporated

October 15, 1999

Mr. Brian Godinez

Dear Brian:

It is with sincere pleasure and excitement that I am able to offer you the position of Vice President, Business Unit Development with Video Networks, Inc. As we discussed, Video Networks, Inc. has all the earmarks of a prominent success, but it is the people who will make this success a reality. We are very excited in extending to you an opportunity to play a key role in the company's future.

Your compensation in this position will be a semi-monthly salary of \$4,166.67, paid on the 15th and 30th/31st of each month. In addition, you will receive the other benefits afforded to all employees of VNI. These include personal time off (PTO) earned on a monthly basis, medical /dental coverage, life insurance, and a 401K program. Your employment with Video Networks, Inc. will begin no later than November 1, 1999.

As a key part of your compensation package, we will recommend to the Board of Directors at their next meeting that you be granted stock options for 50,000 Shares of VNI common stock in accordance with VNI's Incentive Stock Option Plan. These options will vest over a 4 year period, with one fourth fully vested at the end of twelve months and the remainder vesting monthly thereafter. We anticipate that these options will be granted at the fair market value per share.

In addition, you will be eligible for a 20% Incentive Bonus to be awarded at the end of year 2000, based upon the performance of the Company and achievement of your individual goals.

As a key member of the team, I am delighted that you will be joining Video Networks, Inc. Our success hinges upon the people who make up the team, and it is critical to our future that we maintain exceptionally high standards of excellence. I am personally excited about the strength you will lend to the team, and look forward to working with you. We all intend to build and maintain an organization of exceptional people, with fair

Brian Godinez
Page Two
October 15, 1999

compensation, and to create an environment which enables each individual to realize their maximum potential. Toward this end, your employment with Video Networks, Inc. is voluntarily entered into and you are free to resign at any time for any reason. Similarly, the company has the right to terminate the employment relationship at any time for any reason.

While we hope that our relationship will be long and mutually beneficial, the company can give no guarantee or contract, either express or implied, of continued employment. This offer is contingent on signing both non-disclosure and assignment of intellectual property rights agreements along with completion by VNI of your references.

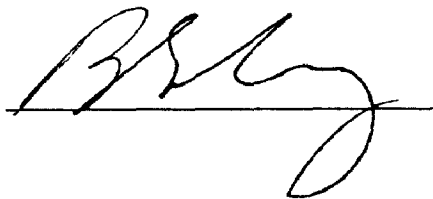
Brian, I am delighted to have you join our team! I look forward to working with you and enjoying the success our team will realize together.

Sincerely,



Mark Adams
Vice President, CFO
Video Networks, Inc.

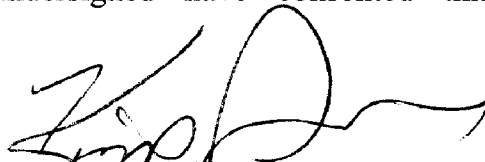
Please indicate your acceptance of this offer by signing below:

Accepted:  Date: 10-19-99

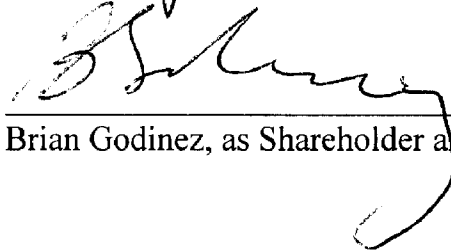
acknowledge, verify and deliver any and all certificates, undertakings, agreements and other documents and to execute any and all forms of resolutions, as they may deem necessary or desirable in order to carry out the purposes of the foregoing resolutions, to effect the Sale contemplated by the Purchase Agreement and to perform the obligations of the Corporation under the Purchase Agreement and all prior actions taken with respect thereto are hereby confirmed and ratified in all respects.

This Consent may be executed in one or more counterparts, each of which shall be deemed to be an original and shall be filed with the minutes of the Corporation.

IN WITNESS WHEREOF, the undersigned have consented this 3rd day of November, 1999.



Kipp Jones, as Shareholder and Director



Brian Godinez, as Shareholder and Director

**JOINT UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF
DIRECTSIGHT NETWORKS, INC.,
A GEORGIA CORPORATION,
IN LIEU OF A SPECIAL MEETING**

Pursuant to Sections 14-2-704 and 14-2-821 of the Georgia Business Corporation Code (the "Code"), the undersigned, being all of the shareholders (the "Shareholders") and the directors (the "Directors"), respectively, of DirectSight Networks, Inc., a Georgia corporation (the "Corporation"), by execution hereof, do hereby (i) consent to and adopt the following resolutions, which resolutions shall have the same force and effect as if adopted by unanimous affirmative votes at special meetings of the Shareholders and of the Board of Directors of the Corporation duly called and held and (ii) direct that this written consent ("Consent") be filed with the minutes of the proceedings of the Corporation:

WHEREAS, the Directors deem it to be in the best interest of the Corporation and the Shareholders to enter into an Asset Purchase Agreement (the "Purchase Agreement") pursuant to which the Corporation shall sell, convey, transfer and assign to Video Networks, Inc. (collectively, "Video Networks") its rights, title and interests in certain assets of the Corporation as set forth in the Purchase Agreement and Video Networks shall assume certain liabilities of the Corporation as set forth in the Purchase Agreement (the "Sale");

WHEREAS, the Directors deem it to be in the best interest of the Corporation and the Shareholders to consummate the Sale and all transactions contemplated in the Purchase Agreement; and

WHEREAS, the Shareholders desire to approve the Sale.

NOW, THEREFORE, BE IT RESOLVED, that the Purchase Agreement, in substantially the form reviewed by the undersigned and set forth on **Exhibit A** attached hereto, and all transactions contemplated therein, be, and they hereby are, approved and adopted except that such document may contain such changes in the form, terms and provisions thereof as the officers and Directors of the Corporation executing the same may approve, such approval and authority to be conclusively evidenced by the execution and delivery thereof;

FURTHER RESOLVED, that the officers and Directors of the Corporation be, and each of them hereby is, authorized, empowered and directed to negotiate, execute and deliver, in the name of and on behalf of the Corporation, the Purchase Agreement and all agreements, documents and instruments contemplated thereby; and

FURTHER RESOLVED, that the officers and Directors of the Corporation be, and each of them hereby is, authorized, empowered and directed to cause to be done, in the name of and on behalf of the Corporation, any and all such other acts and things, and to sign, seal, attest,

EXHIBIT A

**Asset Purchase Agreement by and between
Video Networks, Inc. and
DirectSight Networks, Inc.**

See Attached.

Transaction Consent I

RECORDED: 08/25/2000

**TRADEMARK
REEL: 002175 FRAME: 0746**