

07-21-2005

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

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

REC
T. 103045349

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

1. Name of conveying party(ies)/Execution Date(s):

Endymion Systems, Inc.

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

Citizenship (see guidelines) USA

Execution Date(s) April 30, 2004

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Soluzionna USA, Inc.

Internal Address: _____

Address: Rose Tree Corporate Center II 1400

Street Address: North Providence Rd, Suite 4005

City: Media

State: Pennsylvania

Country: USA Zip: 19063

Association Citizenship _____

General Partnership Citizenship _____

Limited Partnership Citizenship _____

Corporation Citizenship USA

Other _____ Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
76/544711 76/544704 76/544712
78/269268 76/544703

B. Trademark Registration No.(s)

 Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Janet B. Caldwell

Internal Address: _____

Street Address: Rose Tree Corporate Center II 1400
North Providence Rd, Suite 4005

City: Media

State: Pennsylvania Zip: 19063

Phone Number: 610.892.8920 ext:160

Fax Number: 610.892.8921

Email Address: jcaldwell@us.soluzionna.com

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ \$140.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number _____
Authorized User Name _____

9. Signature: _____

Signature

7/14/2005
Date

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 28

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

07/20/2005 ECDDPER 00000126 76544711

01 FC:8521 40.00 OP

02 FC:8522 100.00 OP

TRADEMARK
REEL: 003194 FRAME: 0316

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**"), dated as of April 30, 2004, is made and entered into by and between Endymion Systems, Inc., a California corporation ("**Seller**") and Soluziona USA, Inc., a Pennsylvania corporation ("**Buyer**"). Seller and Buyer are referred to herein as the "**Parties**" and each a "**Party**."

BACKGROUND

Seller is engaged in the business of providing software, professional and managed services. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain of the assets of Seller used by Seller in the conduct of its business other than the assets specifically set forth in this Agreement. Buyer also desires to assume certain liabilities of Seller, but only to the extent specifically set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and intending to be legally bound, the Parties hereby agree as follows:

1. **Sale and Purchase of Assets.**

Seller hereby agrees to sell, transfer, assign and convey to Buyer, and Buyer hereby agrees to purchase, free and clear of any lien, charge, claim, pledge, security interest, conditional sale agreement or other title retention agreement, lease, mortgage, security agreement, right of first refusal, option, restriction, tenancy, license, covenant, right of way, easement or other encumbrance (including the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or statute or law of any jurisdiction) ("**Liens**") excluding statutory liens for current taxes or assessments not yet due or delinquent or the validity of which are being contested in good faith by appropriate proceedings, mechanics', carriers', workers', repairman's and other similar Liens arising or incurred in the ordinary course of business with respect to charges not yet due and payable, and those Liens listed on Schedule 1 (the "**Permitted Liens**"), all of the assets of Seller whether real, personal or mixed, and whether tangible or intangible, other than the Excluded Assets set forth in Section 2 of this Agreement (the assets being purchased under this Agreement are hereinafter referred to as the "**Assets**"). Certain of the Assets are more specifically set forth on Exhibit 1 hereto.

2. **Excluded Assets.**

Notwithstanding anything to the contrary in this Agreement, the following assets, properties and rights (the "**Excluded Assets**") shall be excluded from and shall not constitute Assets transferred to Buyer:

- (i) the minute book and formation documents of Seller;
- (ii) payments made and to be made to Seller, and other rights of Seller, under this Agreement;

| | |
|------|-----|
| 2006 | 35% |
| 2007 | 40% |
| 2008 | 40% |

(ii) ManagedPay System Implementation. For each calendar year, Buyer shall pay to Seller five percent (5%) of accrual revenues (based on GAAP accounting principles) recognized by Buyer from third parties in connection with the implementation of the ManagedPay System (the "**ManagedPay Implementation Royalty**").

(iii) Managed Services. For each calendar year, Buyer shall pay to Seller a percentage (the "**Managed Services Royalty**") of accrual revenues (based on GAAP accounting principles) recognized by Buyer from third parties for consulting services provided by Buyer known as "Managed Services" involving the design, building and maintaining of information technology operating systems ("**Managed Services Fees**"). If the aggregate amount of Managed Services Fees equals or exceeds \$1,000,000 for any six (6) month period from (A) January 1st through June 30th or (B) July 1st through December 31st of each calendar year, then the Managed Services Royalty for such six (6) month period shall be equal to five percent (5%) of the Managed Services Fees for such period. If the aggregate amount of Managed Services Fees is less than \$1,000,000 for any such six (6) month period, the Managed Services Royalty for such six (6) month period shall be equal to two and one-half percent (2.5%) of the Managed Services Fees for such period.

(iv) ManagedPay ASP Offering. For each calendar year, Buyer shall pay to Seller five percent (5%) of accrual revenues (based on GAAP accounting principles) recognized by Buyer from third parties that are attributable to the ManagedPay Software component of the ManagedPay System provided by Buyer on a web-based application service provider basis (the "**ManagedPay ASP Royalty**").

(v) (A) On July 31st of each calendar year (except for July 31, 2004), Buyer shall pay to Seller the aggregate Royalties for the first six (6) months of the calendar year and (B) on January 31st of the each calendar year (except January 31, 2005), Buyer shall pay to Seller the aggregate Royalties for the second six (6) months of the preceding calendar year.

(vi) Buyer shall pay to Seller a Royalty payment on November 30, 2004 in the fixed amount of \$73,000.

(vii) Buyer shall pay to Seller a Royalty payment on January 31, 2005 for the aggregate Royalties from May 1, 2004 through December 31, 2004, less \$73,000 for the Royalty payment made on November 30, 2004.

(viii) The payment of Royalties under this Agreement shall continue through the reporting date of January 31, 2009 for the period ending December 31, 2008, after which all Royalty payments under this Agreement shall cease and Seller shall have no right to additional Royalty payments.

(b) Seller and Buyer shall enter into an Assignment and Assumption Agreement in the form set forth on Exhibit 4(b) hereto (“*Assignment and Assumption Agreement*”).

(c) Seller and Buyer shall enter into a Non-Competition Agreement (the “*Non-Competition Agreement*”) in the form set forth on Exhibit 4(c) hereto.

(d) Seller shall deliver to Buyer an opinion of Seller’s counsel, Nixon Peabody LLP, in the form set forth on Exhibit 4(d) hereto.

(e) Buyer shall deliver to Seller an opinion of Buyer’s counsel, Pepper Hamilton LLP, in the form set forth on Exhibit 4(d) hereto.

(f) Seller and Buyer shall enter into the Employee Leasing Agreement (the “*Employee Leasing Agreement*”) in the form set forth on Exhibit 4(f) hereto.

(g) Seller shall deliver such other documents, including officer’s and secretary’s certificates of Seller, as Buyer shall reasonably request prior to the Closing and as set forth in Section 10.

(h) Buyer shall deliver such other documents, including officer’s and secretary’s certificates thereof, as Seller shall reasonably request prior to the Closing and as set forth in Section 11.

This Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Non-Competition Agreement and the Employee Leasing Agreement are collectively referred to as the “*Transaction Agreements*.”

5. **Assumption of Certain Liabilities; No Assumption of Other Liabilities of Seller.**

Except for the Assumed Obligations which Buyer will assume at Closing, Buyer does not and will not assume or become obligated to pay or perform any liabilities or obligations of Seller whatsoever, including without limitation, any liabilities for accounts payable, Taxes (as defined in Section 7(j) and including any Taxes, except as otherwise provided in Section 18, arising in connection with the transactions contemplated by this Agreement), any obligations of Seller in respect of pension arrangements or employee benefit arrangements with respect to Seller’s employees, officers or others involved with Seller in any manner, any governmental obligations (including, without limitation, those arising with respect to the Occupational Safety and Health Act of 1970, as amended (“*OSHA*”)), any obligation related to hazardous substances and product liability or any obligation to repay any direct or indirect loan made by any individual, company, joint venture, corporation (including any non-profit corporation), estate, association, trust, general or limited partnership, limited liability company, limited liability partnership, unincorporated organization, government or other department or agency thereof (each, a “*Person*”) to Seller. For purposes of this Agreement, the “*Assumed Obligations*” are solely the obligations and liabilities related to the Assets that arise, and are attributable solely to periods, after the Closing (other than for vested employee vacation as discussed below), including, but not limited to, such liabilities under the software maintenance contracts listed on Exhibit I,

jurisdiction where such qualification is required, except where the lack of such qualification would not adversely affect Seller's ability to consummate the transactions contemplated by this Agreement. Seller has the requisite corporate power and authority to carry on the businesses in which it currently is engaged and to own and use the properties it currently owns and uses. Seller has the requisite corporate power and authority to enter into and perform this Agreement and to carry out the transactions contemplated by this Agreement to be performed by it. Correct and complete copies of the Articles of Incorporation and Bylaws of Seller as currently in effect have been previously made available to Buyer.

(b) Subsidiaries. Except as set forth on Schedule 7(b), Seller does not own any capital stock or other equity or proprietary or ownership interest in any Person.

(c) Corporate Authorization. The execution, delivery and performance by Seller of the Transaction Agreements to which it is a party have been duly authorized by all necessary corporate action required to be taken by Seller. Assuming the due and valid authorization, execution and delivery of the Transaction Agreements by Buyer, the Transaction Agreements to which Seller is a party constitute, or upon execution and delivery of such Transaction Documents by Seller shall constitute, the valid and binding obligations of Seller enforceable against it in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws of general application affecting enforcement of creditors' rights generally and (b) the availability of the remedy of specific performance or injunctive or other forms of equitable relief that may be subject to equitable defenses and would be subject to the discretion of a court before which any proceeding therefor may be brought.

(d) Governmental Authorization. The execution, delivery and performance by Seller of the Transaction Agreements and the consummation by Seller of the transactions contemplated by the Transaction Agreements require no action by or in respect of, or filing with, any federal, state, local or foreign governmental body, agency, official or authority ("Governmental Authority") other than compliance with applicable bulk sales Laws.

(e) Non-Contravention. The execution, delivery and performance by Seller of the Transaction Agreements and the consummation by Seller of the transactions contemplated by the Transaction Agreements do not (i) contravene or conflict with the provisions of any agreement, lease, contract or purchase order or other commitment of any kind (whether written or oral) ("Contract") to which Seller is a party, except those Contracts listed, and to the extent set forth, on Schedule 7(f), (ii) contravene or conflict with the Articles of Incorporation or Bylaws of Seller, or (iii) assuming compliance with the bulk sales Laws referred to in Section 7(d), contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order decision, writ, decree, award or determination (collectively, "Law") binding upon or applicable to Seller, except in the case of (i) and (iii) above where such contravention or conflict would not result in a material liability.

(f) Approvals and Consents. Except as disclosed on Schedule 7(f), no consent, approval or action of, filing with or notice to any Person is necessary or required under any of the terms, conditions or provisions of any Contract to which Seller is a party or by which its assets or properties are bound for the execution and delivery of this Agreement and the other

pendency of any of the transactions contemplated by this Agreement; and (ii) any change resulting from compliance by Seller with the terms of, or the taking of any action contemplated or permitted by this Agreement;

(ii) suffered any damage, destruction or loss (whether or not covered by insurance) or any event or condition of any nature materially adversely affecting the Assets;

(iii) made any change in its method of accounting or keeping its books of account or accounting practice, including any change in any assumptions underlying or methods of calculating, any bad debt, contingency, tax or other reserves or any change in estimates or valuations;

(iv) made any material change in the compensation (including benefits) paid or to be paid to any employees or other representatives of Seller; or

(v) made any purchase, in the ordinary course, or sale of or other disposition of Seller's assets, properties or rights by Seller.

(j) Certain Tax Matters. Seller has timely filed, or caused to be filed, taking into account any valid extensions of due dates all material federal, state, local and foreign tax or information returns (including estimated tax returns, and collectively, "**Tax Returns**") required under the statutes, rules or regulations of all Governmental Authorities with which Seller is required to file such Tax Returns, and such Tax Returns are complete and accurate in all material respects. For purposes of this Agreement, the term "**Taxes**" means taxes, duties, charges or levies of any nature imposed by any taxing or other Governmental Authority, including, without limitation, income, gains, capital gains, surtax, capital, franchise, capital stock, value-added taxes, taxes required to be deducted from payments made by the payor and accounted for to any tax authority, employees' income withholding, back-up withholding, withholding on payments to foreign Persons, social security, national insurance, unemployment, worker's compensation, payroll, disability, real property, personal property, sales, use, goods and services or other commodity taxes, business, occupancy, excise, customs and import duties, transfer, stamp, and other taxes (including interest, penalties or additions to tax in respect of the foregoing), and includes all taxes payable pursuant to Treasury Regulation Sections 1.1502-6 or any similar provision of state, local or foreign Law. All Taxes shown on said Tax Returns to be due, and all additional assessments received prior to the date hereof, have been paid or are being contested in good faith, in which case, such contested assessments are set forth on Schedule 7(j). Seller has collected all sales, use, goods and services or other commodity Taxes required to be collected and remitted or will remit the same to the appropriate Governmental Authority within the prescribed time periods. Seller has withheld all amounts required to be withheld on account of Taxes from amounts paid to employees, former employees, officers, members, residents and non-residents and remitted or will remit the same to the appropriate Governmental Authorities within the prescribed time periods. The amount set up as an accrual for Taxes in the Seller Financial Statements is sufficient for the payment of all unpaid Taxes of Seller, whether or not disputed, for all periods ended on and prior to the date thereof. Since March 31, 2004, Seller has not incurred any liabilities for Taxes other than in the ordinary course of business. Seller has delivered to Buyer correct and complete copies of all federal income Tax Returns filed with

located. The real property leased by Seller is in a state of good maintenance and repair (ordinary wear and tear excepted) and is adequate and suitable for the purposes for which it is presently being used, and there are no material repair or restoration works likely to be required during the six (6) months after the Closing Date in connection with any of the leased real properties. Seller is in physical possession and actual and exclusive occupation of the whole of each of its leased properties. Seller does not owe any brokerage commission with respect to any Real Property Lease which has not been paid.

(m) Environmental Matters. Except as set forth on Schedule 7(m), to Seller's Knowledge, there are no material Environmental Conditions in any way relating to the Assets. To Seller's Knowledge, neither Seller nor any other Person has caused any Environmental Condition to occur with respect to the Assets. For the purposes of this Agreement, "**Environmental Condition(s)**" means: (i) the introduction into or presence in the environment of any pollution, including without limitation any contaminant, irritant or pollutant or other toxic or hazardous substance, in violation of any federal, state or local law, ordinance or governmental rule or regulation, as a result of any spill, discharge, leak, emission, escape, injection, dumping or release of any kind whatsoever of any substance or exposure of any type in, on, under or about any work places or other areas or to any medium, including without limitation air, land, surface waters or ground waters, or from any generation, transportation, treatment, discharge, storage or disposal of waste materials, raw materials, hazardous materials, biomedical waste (including blood), toxic materials or products of any kind or from the storage, use, presence or handling of any hazardous or toxic materials or other substances, including without limitation asbestos, radon or radioactive material, or noncompliance as a result of which Seller has or may, or Buyer may, become liable to any person or by reason of which any of the Real Property Lease may suffer or be subjected to any lien or restriction of any nature; or (ii) any noncompliance with any federal, state or local environmental law, rule, regulation or order as a result of or in connection with any of the foregoing.

(n) Contracts and Commitments. Except as listed on Schedule 7(n) hereto, Seller is not a party to or otherwise bound by any Contract extending beyond one (1) year or calling for consideration of more than \$5,000. All Contracts listed on Schedule 7(n) are in full force and effect and have been entered into in the normal course of business, and true and complete copies thereof have been delivered to Buyer or Buyer has received from Seller a written summary setting forth the terms and conditions of each oral agreement referred to therein. There exists no default or event of default by Seller under any Contract or, to the knowledge of Seller, by any other party thereto. No event has occurred which, with the passage of time or the giving of notice or both, would constitute a material default under any such Contract with respect to Seller or, to Seller's knowledge, with respect to such other parties.

(o) Insurance. Schedule 7(o)(i) contains a true and complete list (including the names and addresses of the insurers, the names of the Persons to whom such insurance policies have been issued, the expiration dates thereof, whether it is a "claims made" or an "occurrence" policy and a brief description of the interests insured thereby) of all liability, property, workers' compensation and other insurance policies currently in effect that insure the property, assets or business of Seller or its employees (other than self-obtained insurance policies by such employees). To Seller's knowledge, each such insurance policy is valid and binding and in full force and effect and all premiums due thereunder have been paid and Seller has not.

provided Buyer with a list setting forth generally a description of settlements occurring since January 1, 1999 regarding actual or threatened lawsuits binding on Seller.

(r) Compliance with Laws. Seller is not in violation of, or in default under, any Law applicable to Seller, including without limitation any environmental Laws, which violation would cause an adverse effect or be reasonably likely to cause an adverse effect on Seller's title to the Assets or Seller's ability to consummate the transactions contemplated by the Transaction Agreements, which adverse effect would be material

(s) Permits. Seller has all permits, licenses, and other governmental certificates, authorizations and approvals, including applications therefor (the "Permits") required by any Governmental Authority for the operation of its business and the use of its assets as presently operated or used, except where the failure to have such Permits would not reasonably be expected to adversely affect Seller or the ability to consummate the transactions contemplated by the Transaction Agreements. All of such Permits are listed on Schedule 7(s) and are in full force and effect and no action or claim is pending, nor to the knowledge of Seller is threatened, to revoke or terminate any of such Permits or declare any such Permit invalid in any material respect.

(t) Clients. Schedule 7(t) sets forth a complete list of sales made or services provided during the last two (2) most recently completed fiscal years to the ten (10) largest customers of Seller (measured in terms for dollar value of sales). Except as set forth on Schedule 7(t), in the last twelve (12) months, no such customer has (i) cancelled or otherwise terminated, or indicted in writing that it may cancel or otherwise terminate, its relationship with Seller, or (ii) materially reduced, or indicated in writing that it may materially reduce, its business with Seller. The Seller has not received any notice nor does Seller have any Knowledge that any such customer intends to cancel or otherwise materially adversely modify its relationship with Seller.

(u) Employment Relations. (i) Seller is not engaged in any unfair labor practice; (ii) no unfair labor practice complaint against Seller is pending before any Governmental Authority; (iii) there is no organized labor strike, dispute, slowdown or stoppage actually pending or, to the knowledge of Seller, threatened against or involving Seller; (iv) there are no labor unions representing or, to the knowledge of Seller, attempting to represent the employees of Seller; (v) no claim or grievance nor any arbitration proceeding arising out of or under any collective bargaining agreement is pending and, to the knowledge of Seller, no such claim or grievance has been threatened; (vi) no collective bargaining agreement is currently being negotiated by Seller; and (vii) Seller has never experienced any work stoppage or similar organized labor dispute. There is no legal action, suit, proceeding or claim pending or, to the knowledge of Seller, threatened between Seller and any of its employees, former employees, agents, former agents, job applicants or any association or group of any of its employees nor, to the knowledge of Seller, is there any reasonable basis for any such legal action, suit, proceeding or claim which would be material. Schedule 7(u)(i) sets forth the name of each Person currently employed by Seller (other than Phillip Trapp, John Harless and Sophia Simas) and such Person's position and current salary. No employee of Seller has indicated to Seller that such employee intends to and, to the knowledge of Seller, no employee of Seller, in fact, intends to terminate his or her employment with Seller or to not accept employment with Buyer upon the consummation

(v) Neither the Seller nor any ERISA Affiliate contributes to, has ever contributed to or been required to contribute to or has any liability (including withdrawal liability as defined in Section 4201 of ERISA) with respect to a multiemployer plan, as defined in Section 3(37) of ERISA.

(w) Commission. Seller has not made any agreement or taken any action which may cause anyone to become entitled to a commission as a result of the transactions contemplated by the Transaction Agreements.

(x) Projections. The forecasts and projections of future financial results supplied by Seller to Buyer were prepared by Seller in good faith based upon expectations and assumptions that Seller believed, as of the date such forecasts and projections were prepared, and still does believe, as of the date hereof and as of the Closing Date, to be reasonable.

(y) Veracity of Statements. No representation, warranty or statement of Seller contained in this Agreement, or contained in any certificate, schedule or other document furnished by Seller to Buyer pursuant hereto or in connection with the transactions contemplated hereby, including the Seller Financial Statements, contains any untrue statement of a material fact or omits to state a material fact necessary to make it, in light of the circumstances in which it was made, not misleading.

8. Representations and Warranties of Buyer.

As of the date hereof and as of the Closing Date, Buyer represents, warrants and covenants as follows:

(a) Organization and Standing of Buyer. Buyer is a corporation, duly incorporated, validly existing and in good standing under the Laws of the Commonwealth of Pennsylvania. Buyer is duly authorized to conduct business and is in good standing under the Laws of each jurisdiction where such qualification is required, except where the lack of such qualification would not adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement. Buyer has the requisite corporate power and authority to carry on the businesses in which it currently is engaged and to own and use the properties it currently owns and uses. Buyer has the requisite corporate power and authority to enter into and perform this Agreement and to carry out the transactions contemplated by this Agreement to be performed by it.

(b) Corporate Authorization. The execution, delivery and performance by Buyer of the Transaction Agreements have been duly authorized by all necessary corporate action required to be taken by Buyer. Assuming the due and valid authorization, execution and delivery of the Transaction Agreements by Buyer, the Transaction Agreements to which Buyer is a party constitute, or upon execution and delivery of such Transaction Documents by Buyer shall constitute, the valid and binding obligations of Buyer enforceable against it in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws of general application affecting enforcement of creditors' rights generally and (b) the availability of the remedy of specific performance or injunctive or other forms of equitable relief that may be subject to equitable

preceding sentence), from the date hereof until the Closing, without the prior written consent of Buyer (which consent shall not be unreasonably withheld), Seller shall not:

(A) Adopt or propose any change in its Articles of Incorporation or Bylaws or other charter documents;

(B) Enter into, extend, materially modify, terminate or renew any Contract, or waive, release or assign any material rights or claims with respect to, any Contract, including, without limitation, any insurance policy;

(C) Merge or consolidate with any other Person;

(D) Sell, assign, transfer, convey, lease, mortgage, pledge or otherwise dispose of or create or assume any Lien on any Asset;

(E) Incur any indebtedness or guarantee the indebtedness of any other Person;

(F) Issue, grant, deliver or sell, or authorize or propose the issuance, grant, delivery or sale of, any securities of Seller;

(G) Fail to expend funds for budgeted capital expenditures and commitments;

(H) Fail to pay Seller's accounts payable and any debts owed or obligations as they become due;

(I) Fail to maintain the Assets in substantially their current state of repair, excepting normal wear and tear, or fail to replace, consistent with Seller's past practice, inoperable, worn-out or obsolete or destroyed Assets;

(J) Fail to continue to operate its business in the ordinary course consistent with past practice, including the renewal in the ordinary course of Contracts;

(K) (I) Change any severance or termination pay to, or enter into any employment, termination or severance arrangement with, any director, officer, consultant or employee of Seller; (II) enter into any employment, deferred compensation or other similar Contract (or any amendment to any such existing Contract) with any director, officer or employee of Seller; (III) increase or decrease benefits payable under any existing severance or termination pay policies or employment agreements; (IV) increase compensation, bonus or other benefits payable to directors, officers, consultant or employees of Seller, other than in the ordinary course of business and consistent with past practice; (V) adopt any new qualified pension plans and profit sharing plans under ERISA or any other kind; or (VI) otherwise amend or modify, any existing qualified pension plans and profit sharing plans, except to the extent required by applicable Law;

public without breach of the commitment provided for in this Section 9(b), or (B) is required to be disclosed by law, order or regulation of a court or tribunal or Governmental Authority; provided, however, in any such case, that Seller shall notify Buyer as early as practicable prior to disclosure to allow Buyer to take appropriate measures to preserve the confidentiality of such information.

(ii) For purposes of this Agreement, "**Confidential Information**" means all trade secrets, information, data, know-how, systems and procedures of a technical, sensitive or confidential nature in any form relating to the Assets or customers of Seller, including without limitation, all business and marketing plans, marketing and financial information, pricing, profit margin, cost and sales information, operations information, forms, contracts, bids, agreements, legal matters, unpublished written materials, names and addresses of customers and prospective customers, information about employees, suppliers and other companies with which Seller has a commercial relationship.

(c) Employees.

(i) After the Closing Date, Buyer may offer employment to certain of Seller's employees ("**Business Employees**"), on terms and conditions to be determined solely at the discretion of Buyer. Except as expressly set forth in Section 5 and this Section 9(c) Buyer shall have no liability whatsoever on account of each such employee who accepts employment with Buyer (collectively, the "**Transferred Employees**") for previous employment by Seller, nor shall Buyer assume or otherwise be responsible for any past or future obligation of Seller to such Transferred Employees, other than those required by any federal, state or local employment laws, discrimination law or other laws relating to employment arising out of the manner in which Buyer acts in selecting employees and otherwise implementing the offers in this Section 9(c). Except as expressly set forth in this Section 9(c), Buyer shall have no liability whatsoever on account of any employee of Seller who is offered employment by Buyer in compliance with this Agreement and who rejects such offer, or on account of any employee of Seller who is not offered employment by Buyer.

(ii) Buyer may, at its option, hire the Transferred Employees on an at-will employment basis and shall have no obligation to employ such persons for a certain length of time. Nothing in this Agreement is intended to be construed as an employment agreement, whether express or implied. This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and assigns.

(d) Benefit Plans.

(i) Except to the extent that Buyer may provide such coverage pursuant its health and welfare plans following the Closing Date, Seller shall retain all liabilities, and Buyer shall have no liability, with respect to the provision of notices, election periods and/or benefits pursuant to Section 4980B of the Code or Part 6 of Subtitle B of Title I of ERISA ("**COBRA**"), to any employees or former employees of Seller or other individuals associated with any employees or any former employees of Seller who, on or at any time after the Closing Date, are receiving, entitled to receive or entitled to elect to receive continuation of group health plan benefits pursuant to COBRA. Seller shall provide Buyer with such records, information,

11. Conditions Precedent to Seller's Obligations.

The obligation of Seller to proceed with the Closing under this Agreement is subject to the satisfaction, at or prior to the Closing, of each of the following conditions, each of which may be waived by Seller, in its sole discretion:

(a) The representations and warranties contained in Section 8 of this Agreement, and any certificates, documents and instruments to be delivered by Buyer at the Closing shall have been true correct when made and the representations and warranties contained in Section 8 of this Agreement shall be true and correct in all material respects at Closing, except that if a representation or warranty contained any materiality qualification or limitation when made, such representation and warranty shall be true and correct in all respects at the Closing, and Buyer shall have executed and delivered to Seller a certificate to that effect.

(b) There shall not be any Action pending or threatened to restrain or invalidate the sale and purchase of the Assets or the other transactions contemplated by the Transaction Agreements.

(c) Seller must have received from Buyer a certificate of its Secretary, dated the date of Closing, certifying: (i) the resolutions of the board of directors of Buyer authorizing the execution and delivery of the Transaction Agreements and the performance of the transactions contemplated by the Transaction Agreements are attached thereto; and (ii) as to the incumbency and signatures of the respective officers of Buyer signing this Agreement and all of the other documents, instruments or certificates being executed and delivered by Seller at the Closing.

12. Termination.

(a) This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing:

(i) by the mutual written consent of Seller and Buyer;

(ii) by either Seller or Buyer, if there shall be any Law that makes the consummation of the transactions contemplated hereby or in the other Transaction Agreements illegal or otherwise prohibited or that enjoins Buyer or Seller from consummating the transactions contemplated;

(iii) by either Buyer or Seller, if Closing has not occurred on or prior to the close of business on the 90th day after the date of this Agreement (the "**Termination Date**"); provided, however, that the right to terminate this Agreement under this Section 12(a)(iii) shall not be available to a Party if the Closing has not occurred on or prior to the Termination Date due to a breach of any representation, warranty, covenant or other obligation of such Party under this Agreement.

The Party desiring to terminate this Agreement pursuant to this Section 12 shall give written notice of such termination to the other Party in accordance with Section 20.

specified period or periods; provided, that Seller may not request such financial statements, accounting records, invoices and other documents and papers of Buyer more than once in any calendar year.

(g) For so long as Buyer has an obligation to make Royalty payments to Seller pursuant to Section 3 hereof, Buyer shall not, without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion (i) incur, create, or permit to exist any Lien upon the ManagedPay System, other than the Permitted Liens or (ii) sell, transfer, assign, license, lease or dispose of the ManagedPay System, except for non-exclusive licenses or leases of the ManagedPay System made in the ordinary course of Buyer's business.

14. **Indemnification.**

(a) Survival. The respective representations, warranties, covenants and agreements of Seller, on the one hand, and Buyer, on the other hand, made in this Agreement or any certificate delivered by Seller or Buyer shall survive the Closing for a period of two years except that such time limitation shall not apply to (i) claims for inaccuracies or breaches of representations or warranties in Sections 7(c) (relating to Authorization) and 7(k) (relating to Title) which shall survive indefinitely, (ii) post-Closing covenants and agreements which shall survive indefinitely, (iii) claims for inaccuracies or breaches of representation or warranty in Sections 7(j) (relating to Taxes) and 7(v) (relating to Employee Benefits) which may be asserted until sixty (60) days after the running of the applicable statute of limitations with respect to such claims, or (iv) any claims which have been the subject of a written notice from Buyer to Seller or Seller to Buyer prior to the expiration of any of the foregoing periods, which notice specifies in reasonable detail the nature of the claim.

(b) Obligation of Seller to Indemnify. Subject to the limitations contained in Section 14(g), Seller shall indemnify Buyer and its affiliates, shareholders, officers, directors, employees, agents, representatives and successors, permitted assignees and their affiliates (individually a "**Buyer Indemnified Party**" and collectively, the "**Buyer Indemnified Parties**") against, and to protect, save and keep harmless the Buyer Indemnified Parties from, and to pay on behalf of or reimburse the Buyer Indemnified Parties as and when incurred for, any and all liabilities (including liabilities for Taxes), obligations, losses, damages, penalties, demands, claims, actions, suits, judgments, settlements, penalties, interest, out-of-pocket costs, expenses and disbursements (including reasonable costs of investigation, and reasonable attorneys', accountants' and expert witnesses' fees) of whatever kind and nature (collectively, "**Losses**"), that may be imposed on or incurred by any Buyer Indemnified Party as a consequence of, in connection with, incident to, resulting from or arising out of or in any way related to or by virtue of: (i) any misrepresentation, inaccuracy or breach of any warranty or representation contained in Section 7 or in any certificate delivered by Buyer at Closing or in any of the Transaction Agreement; (ii) any breach or failure by Seller to comply with, perform or discharge any obligation, agreement or covenant by Seller contained in this Agreement or the Transaction Agreements; (iii) any liability or obligation or any assertion against any Buyer Indemnified Party, arising out of or relating, directly or indirectly, to any obligation of Seller other than the Assumed Obligations; and (iv) any liability or obligation or any assertion against any Buyer Indemnified Party, arising out of, or relating to, the provision of notices, election periods and/or benefits pursuant to COBRA to any employees or former employees of Seller or other

acknowledgement or resolution, as the case may be, to such account and in such manner as is designated in writing by the Indemnified Party.

(ii) Third Party Claims. (A) In the event that any Indemnified Party asserts a claim for indemnification or receives notice of the assertion of any claim or of the commencement of any action or proceeding by any Person who is not a Party to this Agreement or an affiliate of a Party to this Agreement (a "**Third Party Claim**") against an Indemnifying Party, the Indemnified Party shall give written notice together with a statement of any available information regarding such claim to the Indemnifying Party within thirty (30) days after learning of such claim (or within such shorter time as may be necessary to give the Indemnifying Party a reasonable opportunity to respond to such claim). The Indemnifying Party shall have the right, upon written notice to the Indemnified Party (the "**Defense Notice**") within thirty (30) days after receipt from the Indemnified Party of notice of such claim, which notice by the Indemnifying Party shall specify the counsel it will appoint to defend such claim ("**Defense Counsel**"), to conduct at its expense the defense against such claim in its own name, or if necessary in the name of the Indemnified Party.

(B) In the event that the Indemnifying Party shall fail to give the Defense Notice within such 30 day period, it shall be deemed to have elected not to conduct the defense of the subject claim, and in such event the Indemnified Party shall have the right to conduct the defense and to compromise and settle the claim without prior consent of the Indemnifying Party and the Indemnifying Party will be liable for all reasonable costs, expenses, settlement amounts or other Losses paid or incurred in connection therewith.

(C) In the event that the Indemnifying Party does deliver a Defense Notice and thereby elects to conduct the defense of the subject claim, the Indemnifying Party shall be entitled to have control over the defense and settlement of the subject claim and the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as it may reasonably request, all at the expense of the Indemnifying Party. The Indemnified Party shall have the right at its expense to participate in the defense assisted by counsel of its own choosing.

(D) Without the prior written consent of the Indemnified Party, which consent will not be unreasonably withheld, the Indemnifying Party will not enter into any settlement or compromise of any Third Party Claim or cease to defend against such claim.

(E) If an Indemnified Party refuses to consent to a *bona fide* offer of settlement which provides for a full release of the Indemnified Party and its affiliates and which is solely for a monetary payment which the Indemnifying Party wishes to accept, the Indemnified Party may continue to pursue such matter, free of any participation by the Indemnifying Party, at the sole expense of the Indemnified Party. In such an event, the obligation of the Indemnifying Party shall be limited to the amount of the offer of settlement which the Indemnified Party refused to accept plus the costs and expenses of the Indemnified Party incurred prior to the date the Indemnifying Party notified the Indemnified Party of the offer of settlement.

excess of such \$10,000 threshold; provided, however, that this Section 14(g) shall not apply to Losses relating to a breach of a representation or warranty contained in Sections 7(k) (relating to Title to and Location of Properties) and 7(w) (relating to Commission).

(h) Amount Limitations.

(i) Seller's Limitation. The indemnification obligations of Seller for all Losses arising out of any misrepresentation, inaccuracy or breach of any warranty or representation contained in Section 7 or in any certificate delivered by Seller at the Closing or in any of the Transaction Agreements shall be limited, in the aggregate, to the aggregate amount of all Royalties paid or payable to Seller pursuant to this Agreement.

(ii) Buyer's Limitation. The indemnification obligations of Buyer for all Losses arising out of any misrepresentation, inaccuracy or breach of any warranty or representation contained in Section 8 or in any certificate delivered by Buyer at the Closing or in any of the Transaction Agreements shall be limited, in the aggregate, to an amount equal to the aggregate amount of all Royalties paid or payable to Seller.

(i) Calculation of Damages. Any indemnity payments by an Indemnifying Party to an Indemnified Party under this Section 14 shall be (i) reduced by any insurance proceeds actually received by the Indemnified Party with respect to the claim for which indemnification is sought and (ii) reduced by any amounts recovered from any third parties, by way of indemnification or otherwise, with respect to the claim for which indemnification is sought.

(j) Treatment. Any indemnity payments by an Indemnifying Party to an Indemnified Party under this Section 14 shall be treated by the parties as an adjustment to the Purchase Price.

(k) Certain Matters Excluded. Notwithstanding anything to the contrary in this Section 14, no limitation or condition of liability provided in this Section 14 shall apply to the breach of any of the representations and warranties contained herein if such representation or warranty was made with actual knowledge that it contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements or facts contained therein not misleading. No right of indemnification hereunder will be limited by reason of any investigation or audit conducted before or after the Closing or the knowledge of any Party of any breach of a representation, warranty, covenant or agreement by the other Party at any time, or the decision of any party to complete the Closing.

(l) Materiality. For purposes of determining whether a Party has the right to indemnification hereunder for a breach of a representation or warranty and for calculating the amount of Damages arising out of or relating to any such breach by Seller, the references to "material adverse effect" or other materiality qualifications (or correlative terms) will be disregarded.

assign its rights under this Agreement to an affiliated entity and Seller may assign its rights under this Agreement to a successor entity.

20. **Notices.**

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly made if delivered in person, deposited with a same day or overnight courier, or mailed, U.S. first class or registered mail, postage prepaid,

(a) if to Seller, to:

Endymion Systems, Inc.
80 Swan Way
Suite 250
Oakland, California 94621
Attention: Phillip Trapp
Facsimile: (510) 563-4199

with a copy to:

Nixon Peabody LLP
Two Embarcadero Center
San Francisco, California 94111
Attention: Glenn Westreich
Facsimile: (415) 984-8300

(b) if to Buyer, to:

1400 N. Providence Road
Rose Tree Corporate Center II
Suite 4055
1400 North Providence Road
Media, Pennsylvania 19063-2052
Attention: Vincent Bayarri
Facsimile: (610) 892-7681

with a copy to:

Pepper Hamilton LLP
400 Berwyn Park
899 Cassatt Road
Berwyn, Pennsylvania 19312-1183
Attention: Christopher S. Miller, Esq.
Facsimile: (610) 640-7835

or to such other address as to which notice is duly given.

26. **Entire Agreement.**

This Agreement, and the schedules and exhibits attached hereto which are incorporated and made a part hereof, represents the entire understanding of the Parties with respect to the subject matter hereof, and supersedes all other agreements, whether oral or in writing, and any other documents. This Agreement may not be modified except pursuant to a writing signed by the duly authorized representatives of the Parties hereto.

27. **Arbitration.**

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

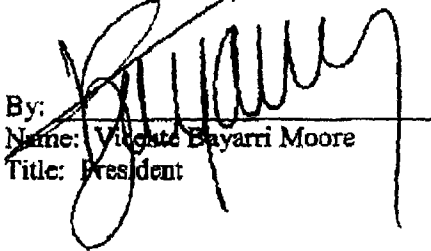
[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as on
the date set forth above.

ENDYMION SYSTEMS, INC.

By: _____
Name:
Title:

SOLUZIONE USA, INC.

By: 
Name: Virginia Bayarri Moore
Title: President

[signature page to Asset Purchase Agreement]

- One copy machine lease with MBA of California (S/N – VM37005037 Acct Number 001-5098086)
- Two postage meter machine leases with Pitney Bowes Credit Corp.
 - Acct Number 5236758
 - Acct Number 3320125
- Office lease for premises at 80 Swan Way, Oakland California with TCC Swan Way, LLC
- Office lease for premises at Lakeshore Towers Building 1, 18101 Von Karman Ave., Irvine, California
- Office lease for premises at Galleria, 2700 Post Oak Blvd., Houston, Texas – and related Sublease with Chargois & Ernster, LLP only to the extent it relates back to the Master Lease
- All inventory relating to, or used in connection with, the operation of Seller's business;
- All fixtures relating to, or used in connection with, the operation of Seller's business;
- All equipment relating to, or used in connection with, the operation of Seller's business;
- All of Seller's customer lists and customer information;
- All permits, licenses and approvals required to operate Seller's Business (to the extent transferable);
- All trademarks, trade names, fictitious names and internet domain names incremental or relating to, or used in connection with, the operation of Seller's business;
- All know how and trade secrets incremental or relating to, or used in connection with, the operation of Seller's business;
- All of the goodwill relating to Seller's business;
- All deposits, including the deposits for the leased premises in Oakland, California and Houston, Texas;
- Pre-paid expenses for May and June as such expenses relate to contracts with Gartner and Pitney-Bowes;

EXHIBIT 2

EXCLUDED ASSETS

| | | |
|-----------------------------------|---------|------------|
| Dell Dimension Tower | DN2G10B | 6/13/2000 |
| Dell Laptops | | 5/23/2001 |
| HP LaserJet 405 | C4253A | 6/14/2000 |
| Dell Poweredge 2400 Base | 6LDR501 | 11/6/2000 |
| Advantage Accounting Software | | 4/3/2000 |
| Equity Edge Stock Option Software | | 6/13/2000 |
| Advantage Accounting Software | | 12/29/1998 |
| Advantage Accounting Upgrade | | 11/27/2000 |

SCHEDULE 1

PERMITTED LIENS

California Filings

- File Number 199920260314 – Norwest Financial Leasing Inc.
- File Number 199935560048 – Epic Funding Corporation
- File Number 200005960770 – Epic Funding Corporation
- File Number 200011060474 – Epic Funding Corporation
- File Number 200016560857 – Epic Funding Corporation
- File Number 200016860100 – Norwest Financial Leasing Inc.

SCHEDULE 7(b)

Subsidiaries

Seller owns 100% of the outstanding stock of ZNOW, Inc., a Delaware corporation.

SCHEDULE 7(f)

Non-Contravention

The following client contracts require written consent for assignment:

- Master Contractors Agreement for IT Contractors with Wells Fargo Bank dated March 29, 2004 (contract number 12031837)
- Specialty Vendor Professional Contractor Services Agreement with Charles Schwab & Company, Inc. effective January 1, 2004
- Agreement for Professional Services with Design Within Reach dated May 16, 2001
- Agreement for Professional Services with SAFE dated March 5, 2002
- Professional Services Agreement with the Port of Oakland dated September 1, 2002 contract number 02326)

The following office leases require notification/consent:

- Office lease for premises at 80 Swan Way, Oakland California with TCC Swan Way, LLC
- Office lease for premises at Lakeshore Towers Building 1, 18101 Von Karman Ave., Irvine, California

SCHEDULE 7(i)

TAX MATTERS

- None

SCHEDULE 7(k)

TITLE TO ASSETS

- Liens in favor of the secured note holders (see Schedule 7(f)):
 - Ticonderoga E-Services Fund I, LP
 - John Harland

SCHEDULE 7(l)(ii)

LEASED REAL PROPERTY

- See real property leases listed on Schedule 7(f)

SCHEDULE 7(m)

ENVIRONMENTAL MATTERS

- None

SCHEDULE 7(n)

CONTRACTS AND COMMITMENTS

- See customer contracts, real property leases, welfare benefit plans, and noteholder agreements in Schedule 7(f)
- See insurance contracts in Schedule 7(o)(i)
- See benefit plans in Schedule 7(v)(i)

- ManagedSolutions Reseller Agreement with Soluziona
- FileNet -- ValueNet Partner Agreement and Service Provider Agreement
- Office equipment leases
 - Five copy machine leases with IOS capital
 - Acct Number –1013479-760563CDF
 - Acct Number – 1013479-700652C
 - Acct Number – 1013479-824733C
 - Acct Number – 1013479-794209C
 - Acct Number – 1013479-707576CDF
 - One copy machine lease with MBA of California
 - S/N – VM37005037 Acct Number 001-5098086
 - Two postage meter machine leases with Pitney Bowes Credit Corp.
 - Acct Number 5236758
 - Acct Number 3320125

SCHEDULE 7(o)(i)

INSURANCE

| Insurance | Policy Period | Carrier |
|----------------------------------|----------------------|--------------------------------------|
| Commercial Multi-peril | 5/10/03-5/10/04 | Hartford |
| Commercial Package | 5/10/03-5/10/05 | Hartford |
| Umbrella Liability | 5/10/03-5/10/06 | Hartford |
| Workers' Compensation | 7/01/03-7/01/04 | Hartford |
| D&O Policy | 12/6/03-12/6/04 | E Risks Services |
| E&O Policy | 3/27/04 to 3/27/05 | Gulf Insurance Co Lemac & Associates |
| Fidelity Bond / Commercial Crime | 2/19/04-2/19/05 | Hartford |

SCHEDULE 7(o)(ii)

INSURANCE CLAIMS

- None

SCHEDULE 7(p)(i)(B)

PROPRIETARY RIGHTS USED BUT NOT OWNED BY SELLER

- None

SCHEDULE 7(p)(ii)

**PROPRIETARY RIGHTS USED OR OWNED BY SELLER
AND INCLUDED IN ASSETS**

- **Software:**
- - Source Code, Documentation, Implementation Methodology and training material for:
 - ManagedPay
 - Collabro (Proof of Concept)
- **Trademarks:**
 - Applied for the following:
 - Managed
 - ManagedPay
 - ManagedSearch
 - ManagedContracts
 - ManagedSolutions
 - Received the following
 - Collabro
- **Domain Name:**
 - GoEndymion.com

SCHEDULE 7p(iii)

LICENSES TO THIRD PARTIES

- None

SCHEDULE 7(t)

CLIENTS

| | 2003 | 2002 | Notes |
|--------------------------------------|---------------------|---------------------|--|
| Agilent Technologies | 451,303.40 | 849,984.10 | Terminated December 2003 |
| Charles Schwab & Co, Inc. | 150,894.40 | 214,563.70 | |
| City of Oakland | 1,262,200.00 | 150,000.00 | Completed consulting agreement |
| Color Spot | 429,332.91 | 924,020.91 | Terminated June 2003 |
| Design Within Reach | 383,147.85 | | |
| FileNet Corporation | 126,481.12 | 329,214.28 | |
| Intermune | 256,950.00 | | Current assignment complete April 2004 |
| Port of Oakland | 406,711.96 | 195,977.03 | |
| Soluziona | 118,984.83 | 220,588.92 | |
| Sunsweet Growers | | 1,099,032.83 | Contract Complete in 2002 |
| Wells Fargo Bank | 1,471,310.78 | 1,402,141.78 | |
| Totals | 5,057,317.25 | 5,385,523.55 | |

SCHEDULE 7(u)(i)

EMPLOYEES

| NAME | JOB TITLE DESCRIPTION | ANNUAL SALARY |
|-----------------------|----------------------------------|----------------------|
| Casilli, Roderick R. | VP Regional Sales | 100,000 |
| Chou, Joanna | ManagedPay Developer | 80,000 |
| Damle, Nikhil | ManagedPay Developer | 78,750 |
| De La Fuente, Sharaim | Managed Services Sales & Support | 75,000 |
| Duesbury, Andrew | Managed Services Consultant | 35,000 |
| Hall, Roger D. | Managed Services Consultant | 45,000 |
| Hofmann, William | VP ManagedPay Developer | 120,000 |
| Kerr, Michael | Managed Services Consultant | 100,000 |
| King, Stephen Todd | Managed Services Consultant | 48,000 |
| Manter, Lee | Managed Services Consultant | 90,000 |
| McCormick, Roberta | Managed Services Consultant | 62,000 |
| Megowan, Vickie | Managed Services Consultant | PT 25.00 per hour |
| Milby, Brad | ManagedPay Consultant | 70,000 |
| Moakler, Edward | VP Managed Services | 130,000 |
| Montour, Michael | VP Sales Manager | 140,000 |
| Morrow, Ron | Managed Services Consultant | 74,640 |

b. "Trade Secret" shall mean any and all Information that derives independent economic value, actual or potential, from not being generally known to persons who can obtain economic value from its disclosure or use, and that is the subject of reasonable efforts by Endymion to maintain its secrecy.

c. "Inventions" shall mean designs, trademarks, discoveries, formulae, processes, manufacturing techniques, Trade Secrets, Information, improvements, ideas, inventions or copyrightable works.

1. Employee understands that any and all Information and Trade Secrets are received or developed by Employee and are disclosed to Employee in confidence, and are to be used only for the purposes for which they are provided. During the term of Employee's employment with Endymion or thereafter, Employee shall not, directly or indirectly, except as required by the normal business of Endymion or expressly consented to in writing by the Board of Directors of Endymion:

a. disclose, publish or make available any Information or Trade Secrets, other than to an employee, officer or director of Endymion who, in the reasonable exercise of Employee's judgment, needs to know such Information or Trade Secrets in order to perform his or her duties to Endymion;

b. sell, transfer or otherwise use or exploit or permit the sale, transfer, use or exploitation of the Information or Trade Secrets for any purposes other than those for which they were provided;

c. remove from Endymion's premises or retain upon termination any Information or Trade Secrets, any copies thereof or any tangible or retrievable materials containing or constituting Information or Trade Secrets.

2. Upon termination of Employee's employment or upon request by Endymion, Employee shall return to Endymion all tangible forms of Information and Trade Secrets.

3. Employee agrees that Endymion has invested substantial time, effort and money in attracting and developing a customer base and assembling Endymion's staff of personnel. Accordingly, Employee agrees that all customers of Endymion, which Employee now or hereafter services during Employee's employment by Endymion and all prospective customers from whom Employee has solicited business while in the employ of Endymion, shall be solely the customers of Endymion. Employee agrees that Employee shall not, for a period of one year immediately following the termination of employment with Endymion, either directly or indirectly, solicit business, as to products or services competitive with those of the Endymion, from any of the Endymion's customers and shall not seek to induce any of the Endymion's customers to cease using Endymion's products or services. Employee also agrees that during employment and for one year after termination of employment, Employee shall not directly or indirectly induce or

confidentiality agreement, or any other obligation as a result of Employee's duties for Endymion is outside the course and scope of Employee's employment.

6. Employee certifies that there is no other contract or duty on Employee's part that would interfere with Employee's ability to provide services to Endymion. Employee agrees that, in performing work for Endymion, Employee will not knowingly use any patented inventions, trade secrets, confidential information or proprietary information obtained from third parties, including any prior employer or any other organization or individual. Employee agrees not to use copyrighted materials, nor any portion thereof, of any other company or person while writing computer programs, manuals or any other materials for Endymion, and that Employee will not bring onto the premises of Endymion any unpublished document or other property containing proprietary information or trade secrets belonging to Employee's former or concurrent employers or companies, unless consented to in writing by said employers or companies. Employee understands and agrees that any use of the patented inventions, trade secrets, confidential information or proprietary information, or any other violation of this paragraph, is outside the course and scope of Employee's employment.
7. This Agreement does not constitute a contract of continued employment and does not in any way restrict Employee's right or the right of Endymion to terminate Employee's employment "at will" with or without cause or advance notice.
8. If any provision of this Proprietary Rights and Confidentiality Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall, nevertheless, continue in full force and effect without being impaired or invalidated in any way.
9. This Proprietary Rights and Confidentiality Agreement constitutes the entire agreement between Endymion and Employee pertaining to the protection of Information and Trade Secrets and the assignment of Inventions, and supersedes all prior or contemporaneous written or verbal agreements and understandings with Employee in connection with the subject matter hereof. Any modification of this Agreement will be effective only if it is in writing and signed by the parties to be bound thereby.

Dated: _____

Employee

SCHEDULE 7(v)(iv)

EMPLOYEE BENEFIT PLANS

- Long Term Disability Coverage
- Long-term Care