

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
MDI, Inc.		09/08/2010	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	MDI Security, LLC
Doing Business As:	Monitor Dynamics
Street Address:	12500 Network Blvd
Internal Address:	Suite 303
City:	San Antonio
State/Country:	TEXAS
Postal Code:	78249
Entity Type:	LIMITED LIABILITY COMPANY: WASHINGTON

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	3541974	ONE UNIFIED TECHNOLOGY
Registration Number:	3424696	UNIFIED TECHNOLOGY

CORRESPONDENCE DATA

Fax Number: 2142105941
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 2142105940
 Email: docket@grspc.com
 Correspondent Name: Schultz & Associates, P.C.
 Address Line 1: 5400 LBJ Freeway
 Address Line 2: Suite 1200
 Address Line 4: Dallas, TEXAS 75240

ATTORNEY DOCKET NUMBER:	58906.0101
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OP \$65.00 3541974

NAME OF SUBMITTER:	George R. Schultz
Signature:	/george r. schultz/
Date:	11/18/2013
Total Attachments: 25 source=Order Approving Sale MONITOR DYNAMICS.2#page1.tif source=Order Approving Sale MONITOR DYNAMICS.2#page2.tif source=Order Approving Sale MONITOR DYNAMICS.2#page3.tif source=Order Approving Sale MONITOR DYNAMICS.2#page4.tif source=Order Approving Sale MONITOR DYNAMICS.2#page5.tif source=Order Approving Sale MONITOR DYNAMICS.2#page6.tif source=Order Approving Sale MONITOR DYNAMICS.2#page7.tif source=Order Approving Sale MONITOR DYNAMICS.2#page8.tif source=Order Approving Sale MONITOR DYNAMICS.2#page9.tif source=Order Approving Sale MONITOR DYNAMICS.2#page10.tif source=Order Approving Sale MONITOR DYNAMICS.2#page11.tif source=Order Approving Sale MONITOR DYNAMICS.2#page12.tif source=Order Approving Sale MONITOR DYNAMICS.2#page13.tif source=Order Approving Sale MONITOR DYNAMICS.2#page14.tif source=Order Approving Sale MONITOR DYNAMICS.2#page15.tif source=Order Approving Sale MONITOR DYNAMICS.2#page16.tif source=Order Approving Sale MONITOR DYNAMICS.2#page17.tif source=Order Approving Sale MONITOR DYNAMICS.2#page18.tif source=Order Approving Sale MONITOR DYNAMICS.2#page19.tif source=Order Approving Sale MONITOR DYNAMICS.2#page20.tif source=Order Approving Sale MONITOR DYNAMICS.2#page21.tif source=Order Approving Sale MONITOR DYNAMICS.2#page22.tif source=Order Approving Sale MONITOR DYNAMICS.2#page23.tif source=Order Approving Sale MONITOR DYNAMICS.2#page24.tif source=Order Approving Sale MONITOR DYNAMICS.2#page25.tif	



The relief described hereinbelow is SO ORDERED.

Signed September 08, 2010.

Ronald B. King
United States Chief Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

In re:	§	
	§	
MONITOR DYNAMICS, INC.	§	Case No. 10-51821
(Fed. Tax I.D. No. 27-0490578);	§	Chapter 11
	§	
DEBTOR.	§	

ORDER APPROVING SALE OF ASSETS FREE AND CLEAR OF INTEREST

On the 31st day of August, 2010 came on to be heard the Debtor's Motion for Sale of Assets Free and Clear of Interest ("Motion"), and the Court after reviewing evidence, arguments of counsel, is of the opinion that the Motion should be Granted and finds:

1. The procedures to hold an auction were approved pursuant to the Order Granting (I) Authorizing and Scheduling Public Auction for the Sale of Certain Assets of Monitor Dynamics, Inc. Free and Clear of All Liens, Claims, And Encumbrances, and (II) Approving Bid Procedures and the Form and Manner of Notice Thereof, signed and entered on August 3, 2010;

44952.2 (10343/002)

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2. That MDI Security, LLC an affiliate of Evergreen Fire Alarms, LLC was the stalking horse bidder;

3. That there were two qualified bidders, MDI Security, LLC and Securities Concept Group, LLC;

4. That a auction was held on August 30, 2010, and that MDI Security, LLC made the highest bid of \$720,000.00;

5. That the negotiations with MDI Security, LLC and MDI Security, LLC actions during the auction were in good faith and arms length and that MDI Security, LLC is a good faith purchaser and entitled to the protection of Section 363(m) of the United States Bankruptcy Code;

6. That the assets listed on the Asset Purchase and Sale Agreement, attached here as Exhibit 1, are owned by the Debtor;

7. That closing as soon as possible is in the best interest of the Debtor and its estates and there is good cause for the waiving of the fourteen (14) day requirement of Bankruptcy Rule 6006(h) therefore, the fourteen (14) day stay period provided by Bankruptcy Rule 6006(h) is hereby waived;

8. Effective as of the closing the Debtor will terminate all employees, except Robert Schorr, and the purchaser will employ as at will employees all of the employees of Debtor, including Robert Schorr;

9. MDI Security, LLC shall provide reasonable access to records and employees of MDI Security, LLC for the purpose of the administration of this case, including claim resolution;

10. The Bexar County Taxing Units assert the ad valorem taxes are owed for the year 2009 and the pro rated portion of the tax year 2010;

11. There are no liens against the assets described on the Asset Purchase Agreement, other than the ad valorem tax liens owing the Bexar County Tax Units;

12. Evergreen Fire Alarms, LLC is the DIP lender to the Debtor, and the DIP Loan has an outstanding balance of \$200,0000. The Debtor, Evergreen Fire Alarms, LLC and MDI Security, LLC shall be allowed to credit proceeds owed to the Debtor by MDI Security, LLC to satisfy the DIP Loan; and

13. The MDI Security, LLC offer is the highest and best offer received by the Debtor, and consummating the sale pursuant to the terms of the Asset Purchase Agreement, attached as Exhibit 1, is in the best interest of the estate;

14. Certain portions or copies of the intellectual property, as described in the Asset Purchase Agreement, may be in the hands of certain third parties and any third party holding any of the intellectual property any copies or information related thereto shall immediately return such information to the Debtor and maintain no copies and that all rights to the intellectual property other than as set forth in the Asset Purchase Agreement, are terminated.

IT IS THEREFORE ORDERED that the Debtor's Motion is hereby approved and the sale to MDI Security, LLC pursuant to the Asset Purchase Agreement for the price of \$720,000.00 is hereby approved; and it further

ORDERED that the sale of assets listed on the Asset Purchase Agreement attached hereto is conveyed to MDI Security, LLC free and clear of any liens, claims and encumbrances; and it is further

ORDERED that MDI Security, LLC is a good faith purchaser and entitled to the protection of Section 363(m); and it is further

ORDERED that the fourteen (14) day stay provided by Bankruptcy Rule 6006(h) is hereby waived; and it is further

ORDERED that MDI Security, LLC shall not be deemed a successor to the debtor by reason of the sale or otherwise; and it is further

ORDERED that the ad valorem tax liens for the year 2009 and pro rated for the year 2010 (January 1, 2010 to the date of closing) shall attach the sales proceeds. Upon the closing of the sale, the ad valorem taxes owing the Bexar County Taxing Units for tax years 2009 and pro rated portion of the tax year 2010, as provided above, shall be paid in full from the sales proceeds. MDI Security, LLC assumes personal liability for the remaining unpaid ad valorem taxes for 2010 (the taxes pro rated post closing) owing to the Bexar County Taxing Units for the 2010 ad valorem taxes and the 2010 ad valorem tax lien shall be retained against the assets for the unpaid 2010 taxes until such taxes are paid in full; and it is further

ORDERED that any person or entity that has intellectual property as defined in the Asset Purchase Agreement, or any information relating to the same shall immediately return all such information to MDI Security, LLC, and shall retain no copies the intellectual property; and it is further

ORDERED that MDI Security, LLC may directly satisfy the outstanding DIP Loan from Evergreen Fire Alarms, LLC and receive credit on the amount of money it owes pursuant to the Asset Purchase Agreement; and it is further

ORDERED that upon making payroll and paying operating expenses through closing, all remaining funds of the Debtor shall be disbursed only upon further order of this Court.

END OF ORDER

44952.2 (10343/002)

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ASSET PURCHASE AND SALE AGREEMENT

among

MDI SECURITY LLC

as Buyer

and

MONITOR DYNAMICS, INC.

As Seller

as of June __, 2010

Exhibit 1

**TRADEMARK
REEL: 005156 FRAME: 0349**

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT ("Agreement") is made as of June __, 2010 by and between MDI Security LLC, a Washington limited liability company ("Buyer") and Monitor Dynamics, Inc., a Texas corporation ("Seller").

RECITALS

A. Seller is engaged in the business of delivering enterprise-class security solutions to government, commercial and school districts in the United States and internationally.

B. Buyer desires to purchase, and Seller desires to sell, substantially all the assets of the Business (as hereinafter defined) on the terms and subject to the conditions contained in this Agreement.

C. Seller is currently the subject of a voluntary Chapter 11 bankruptcy petition, case no. 10-51821, filed in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "Bankruptcy Court").

In consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Agreement, certain terms used in this Agreement and not otherwise defined herein shall have the meanings designated below:

"Affiliate" means, with respect to any Person, (a) any individual or entity at the time directly or indirectly controlling, controlled by or under direct or indirect common control with such Person, (b) any general partner, manager, executive officer or director of such Person, and (c) when used with respect to an individual, shall include any member of such individual's immediate family or a family trust.

"Agreement" means all or any part of this Agreement, including all schedules, exhibits, and appendices, as any of the foregoing may be amended, modified or supplemented in writing from time to time.

"Business" means the business of the Seller which is designing, manufacturing, selling, installing, delivering, and servicing products primarily in the field of enterprise-class security solutions to government, commercial, school districts and others in the United States and internationally.

"Charter Documents" means, with respect to any Party hereto which is a corporation, its charter, its by-laws and all shareholder agreements, voting trusts and similar arrangements

applicable to any of its capital stock and, with respect to any Party hereto which is a limited liability company, its certificate of formation, operating agreement, any agreements among members and any management and similar agreements between the limited liability company and any managers (or any Affiliate thereof).

"Closing" means the occasion upon which the Transactions are carried out by the delivery of documents, payment of funds and other actions contemplated herein, as described in Article 8.

"Closing Date" means the fifteenth (15th) day following the entry of the Bankruptcy Court order approving the Transactions unless such day is a Saturday, Sunday or federal holiday in which case the Closing shall occur on the next business day thereafter, provided that on or before such date the last of the conditions set forth in Articles 6 and 7 is satisfied or waived, or such other date as the parties may agree.

"Collateral Documents" means the Seller's Documents and the Buyer's Documents.

"Contract" means any term, condition, provision, representation, warranty, agreement, covenant, undertaking, commitment, indemnity or other obligation which is outstanding or existing under any instrument, contract, rental agreement, master service agreement (MSA), lease or other contractual undertaking, whether written or oral, to which a Person is party or by which it or any of the Business or its assets (including, without limitation, the Subject Assets) is subject or is bound.

"Down Payment" means fifteen percent (15%) of the Purchase Price.

"Encumbrances" means any and all encumbrances, mortgages, security interests, estates of superior title, liens, Taxes, claims, liabilities, options, commitments, charges, covenants, conditions, restrictions or other obligations of whatsoever kind, quantity or nature, whether accrued, absolute, contingent or otherwise, which affect title to the Subject Assets.

"Entity" means any corporation, firm, unincorporated organization, association, partnership, limited liability company, trust (inter vivos or testamentary), estate of a deceased, insane or incompetent individual, business trust, joint stock company, joint venture or other organization, entity or business, whether acting in an individual, fiduciary or other capacity, or any governmental authority.

"Event" means the existence or occurrence of any act, action, activity, circumstance, condition, event, fact, failure to act, omission, incident or practice, or any set or combination of any of the foregoing.

"Excluded Assets" means all assets other than the Subject Assets limited to (i) cash and cash equivalents of Seller, (ii) the corporate records of Seller, (iii) any intercompany accounts receivable, and (iv) any assets not related in any way to the Business at Buyers sole discretion and listed on Schedule 'B' the "Excluded Assets"

"GAAP" means generally accepted accounting principles in the United States.

"Improvements" means all buildings, fixtures, walls, fences, landscaping and other structures and improvements situated on, affixed or appurtenant to the Leased Premises.

"Knowledge" or the phrases "to the knowledge of" or "to the best of Seller's knowledge," when used in reference to Seller, shall mean (except as otherwise stated herein) matters actually known by Rob Schorr.

"Leased Premises" means the land and buildings leased by Seller at the following address: 12500 Network Blvd. Suite 306 San Antonio, TX 78249, pursuant to a lease dated June 3, 2009 between Schmid-Moulton Parkway, a California Limited Partnership as landlord and MDI, Inc., a Texas corporation, as tenant. The lease was subsequently assigned to Seller.

"Liabilities" means liabilities, obligations or responsibilities of any nature whatsoever, whether direct or indirect, matured or unmatured, fixed or unfixed, known or unknown, asserted or unasserted, choate or inchoate, liquidated or unliquidated, secured or unsecured, absolute, contingent or otherwise, included any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost or expense.

"Party" means Seller, on the one hand, and Buyer, on the other hand.

"Person" means any natural individual or Entity.

"Subject Assets" means all of the tangible and intangible assets used, useful to or held by Seller or used by or held by any of its Affiliates in connection with the operation of the Business, including, without limitation, the following:

(i) **Fixed Assets** – All of the tangible personal property located in, on or about 12500 Network Boulevard, Suite 306, including storage units. Additionally, any and all other unscheduled equipment, supplies, parts, machinery, tools, office equipment, inventories of finished goods and raw materials, assemblies, sub-assemblies, and packaging, furniture and fixtures and other tangible personal property used in the operation of the Business.

(ii) **Intellectual Property** – All of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, divisionals, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, slogans, trade names, corporate names, Internet domain names, and rights in telephone numbers, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all Trade Secrets, (e) all advertising and promotional materials, and (f) all copies and tangible embodiments thereof (in whatever form or medium), (g) all computer software (including source code, executable code, data, databases, and related

documentation) including, but not limited to, (i) the intellectual property rights to the underlying source code or firmware for SafeNet®, including the subroutines, source code libraries, database design, and programming algorithms, and all related documentation, including specifications therefore and user manuals, and (ii) any version of SafeNet software products consisting of: (1) programs in binary form derived from SafeNet source upon compilation or processing, (2) the documentation, and information relating to the software, (3) the firmware delivered internally to and integrated with hardware and any copies thereof, and (4) any derivative works incorporating such software or firmware. Any third party with rights to Intellectual Property shall be reflected on Schedule 3.9.

(iii) Accounts Receivable – All accounts receivable of Seller relating to or arising in connection with the Business prior to Closing, including, without limitation, those on Schedule 3.6. If the accounts receivables at closing are less than \$390,000 an adjustment to the purchase price will be made for the corresponding difference.

(iv) Files and Important Business Documents – All files, customer lists, historical customer information, accounting records (or copies thereof) and other similar records related to the Business, including copies of any material or necessary documents or records relating to the Subject Assets, or the operations or products of the Business (including historical costing and pricing data) and employment and personnel records for all employees, contractors and agents. To the extent that access and use of the above shall become desirable, necessary or required by Seller, the Buyer shall make such information available to Seller after the Closing.

(v) Financial Documents – Copies of any accounting books and records relating to the Business, including, without limitation, all financial ledgers, inventory, payroll and electronic data processing records.

(vi) Promotional Material – Any marketing, sales and promotional literature, correspondence, plans and files relating to the Business.

(vii) Technical, Processing – All technical, processing, manufacturing or marketing information relating to the Business, including design, manufacturing, installation, upgrade and service and repair knowhow, processes, ideas and trade secrets and documentation thereof (including blueprints, drawings, papers, specifications, notebooks, designs and related data processing software).

(viii) Orders, contracts – Orders, contracts and commitments for the purchase of goods and/or services required to support the Business.

(ix) Bonds – Any rights under performance bonds, security and other deposits and advances maintained for use in the conduct of the Business.

(x) Information Systems – Any information systems, computers, modules, modems, thereof (including a license to use any systems, software or programs, program

specifications, source codes, logs, input data and report layouts and formats, diagrams, narrative descriptions, flowcharts and other related material) which are used or sold in, or are intended to be used or sold in the conduct of the Business.

(xi) Permits – All permits, approvals, qualifications, authorizations, licenses, franchises, registrations or other indicia of authority (any and pending applications for any thereof) listed in Schedule 3.4 to conduct the operations of the Business and to own, operate, maintain, service or service and install any of the Subject Assets issued by any government or governmental unit, agency, board, body or instrumentality, whether federal, state or municipal.

(xii) Backlog – All rights in and to the proceeds from fulfilling open sales orders as are identified in the attached “Open Sales Report” in Schedule 2.2(c) which will be updated to reflect the current status as of the Closing.

(xiii) The U.S., foreign and Texas trademarks listed on Schedule 3.9.

(xiv) All URLs and websites, including www.monitordynamics.com and www.MonDyn.com.

(xv) All prepaid expenses and other current Assets.

(xvi) All Assets listed under “Other Assets” on the Financial Statement.

(xvii) All goodwill of the Business.

Without limiting the generality of the foregoing, the Subject Assets shall include the items listed on Schedule A.

“*Taxes*” means any and all taxes, sums or amounts assessed or assessable, levied and due by any federal, state or county or other local governmental authority or agency, including without limitation, real and personal property taxes, income taxes, whether measured by gross or net income or profit, franchise, excise, sales and use taxes, employee withholding, social security, unemployment taxes and any other taxes required to be paid by Seller, including interest and penalties in respect thereof whether disputed or not, and whether accrued, contingent, due, absolute, deferred, unknown or other, together with any and all penalties, interests and additions to all such taxes, sums or amounts.

“*Termination Date*” means sixty (60) days from the date of this Agreement unless such date is a Saturday, Sunday or federal holiday in which case the next following business day, or such other date as the Parties may, from time to time, mutually agree.

“*Transactions*” means the transactions contemplated by this Agreement or by the Collateral Documents.

Section 1.2. Other Definitions. In addition to the foregoing, the following terms have the meanings given them in the following sections:

<u>Term:</u>	<u>Section:</u>
Assumed Obligations	2.2(c)(i)
Buyer's Documents	4.2
Excluded Liabilities	2.2(c)(ii)
Enforceability Limitations	4.2
Financial Statements	3.5
Intellectual Property	3.9(a)
Order	3.3
Purchase Price	2.2(a)
Representatives	5.2(a)
Seller's Documents	3.2
Significant Customer	3.7

ARTICLE 2
SALE AND PURCHASE OF SUBJECT ASSETS

Section 2.1. Sale and Transfer. Seller shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall purchase and receive from Seller, at the Closing, free and clear of all Encumbrances, all of the Subject Assets and the Business.

Section 2.2. Purchase Price; Assumption of Certain Obligations.

(a) Purchase Price. The purchase price to be paid by Buyer for all the Subject Assets and the Business (the "Purchase Price") shall be Six Hundred Nineteen Thousand and no/100 Dollars (\$619,000.00), subject to adjustment as provided in Section 2.4.

(b) Payment of Purchase Price. The Down Payment shall be paid to the Seller at the time this Agreement is executed and shall be held in escrow by the Seller until the Closing at which time it shall be released to Seller. Subject to the immediately following sentence, the remaining Purchase Price (i.e. the Purchase Price less the Down Payment) shall be payable to Seller at the Closing by wire transfer of immediately available funds to such account as Seller shall designate in writing not less than two (2) business days prior to the Closing Date. In the event this Agreement does not Close on or before the Termination Date and Buyer is not in default, the Down Payment shall be returned to Buyer within ten (10) days after the Termination Date. If this Agreement does not Close and Buyer is in material default under the terms of this Agreement, Seller shall retain the Down Payment if Buyer does not cure such material default within ten (10) business days of written notice from Seller.

(c) Limited Assumption of Contracts and Obligations.

(i) Buyer shall assume no obligations or liabilities of Seller, except that Buyer shall assume and perform the following (the "Assumed Obligations"):

(a) all post-Closing obligations of Seller in respect of Seller's Contracts with its customers which Seller has entered in the ordinary course of business, including, but not limited to, such post-Closing obligations for which Seller has received payment prior to Closing (provided that the obligations to perform such services were taken into account in the adjustment to the Purchase Price pursuant to Section 2.4);

(b) all post-Closing obligations of Seller under ongoing contracts set forth on Schedule 2.2(c) for goods and services used in connection with the Business as of the Closing Date; and

(c) all post-Closing obligations of Seller under any operating leases relating to vehicles and equipment set forth on Schedule 2.2(c) that are part of the Subject Assets.

(ii) Except as otherwise provided in Section 2.2(c)(i), Buyer shall not assume or become obligated to perform any debt, liability or obligation of Seller relating to the ownership or operation of the Subject Assets and the conduct of the Business existing on or prior to the Closing Date or any obligations and liabilities relating to Events occurring or existing on or prior to the Closing Date (collectively, the "Excluded Liabilities"), including without limitation:

(a) Taxes, unfunded pension costs, any employment arrangement (including without limitation any obligation to any Seller Employees for severance, employee benefits, vacation time or sick leave), and any of the following to the extent same arise from Events occurring prior to or existing at the Closing Date: product liability, product warranty, legal actions or other claims, and obligations and liabilities relating to or arising under environmental laws and regulations;

(b) any obligations or liabilities under Seller's Contracts relating to indebtedness for borrowed money and capitalized leases or for performance or non-performance of Seller's Contracts prior to the Closing Date;

(c) any insurance policies of Seller;

(d) those required to be disclosed in the Schedules to the Agreement which are not so disclosed;

(e) any liability or obligation from or relating to any breach of any warranty or any misrepresentation by Seller under this Agreement or any Collateral Document;

(f) any liability or obligation from or relating to breach or violation of, or failure to perform, any of Seller's obligations, covenants, agreements or undertakings set forth in this Agreement or any Collateral Document or Seller's Charter Documents;

(g) any obligation or liability relating to any Excluded Asset;
and

(h) any fees, expenses or other amounts required to be paid by Seller pursuant to the provisions of this Agreement or any Collateral Document.

Section 2.3. Allocation. The Purchase Price shall be allocated among classes of the Subject Assets as set forth in Schedule 2.3 and the parties shall report the transaction contemplated hereby in a manner consistent with such allocation for tax purposes, on IRS Form 8594, attached to Schedule 2.3.

Section 2.4. Purchase Price Adjustments.

(a) Buyer shall receive a credit against the Purchase Price for services to be performed for customers after the Closing Date for which Seller has received payment prior to the Closing Date.

(b) Buyer and Seller shall test the accounts receivable during the ten days preceding Closing and agree on the proper amount thereof. Buyer shall receive a credit against the Purchase Price for the amount of accounts receivable (properly recorded under US GAAP) below \$390,000 at the date of Closing. To the extent the amount of accounts receivable (properly recorded under US GAAP) exceed \$390,000 at the date of Closing the Purchase Price shall be increased by such amount.

(c) With respect to ongoing expenses the billing period for which extends across the Closing Date, Buyer and Seller shall make Closing Date adjustments to the Purchase Price so that Seller bears the costs of operating the Business properly accruable under GAAP in respect of the period prior to the Closing Date and Buyer bears the cost thereof properly accruable under GAAP in respect of the period commencing at the Closing Date and thereafter.

(d) Buyer shall receive a credit against the Purchase Price for any liabilities or debt obligations assumed or discharged by Buyer.

Section 2.5. Post-Closing Adjustment Date. Buyer and Seller shall make all proration adjustments to the extent known or then subject to calculation, on the Closing Date. Ninety (90) days after the Closing Date, Buyer and Seller shall make any additional net adjustment by payment of one to the other to effect a final adjustment in the Purchase Price including any payment required under Section 2.4.

Section 2.6. Prorations, Taxes, Utilities, Etc. The Seller shall order a reading of the utility meters on the Closing Date and order a telephone service change effective after the Closing. Buyer will be responsible for any utilities after the Closing Date and deposits for such utilities will be transferred into the Buyer's name. The Seller will be responsible for and shall pay when due all amounts for such utilities attributable to the period on and before the Closing Date. The Seller and the Buyer each shall pay their respective pro rata portion of all ad valorem or similar taxes, pro rated to the Closing Date, for the year of Closing for any property or equipment included in the Subject Assets. The Seller shall pay to Buyer at the Closing estimated

ad valorem or similar taxes for the year of Closing (based on the current year's taxes, if available, and if not available, then based on prior years taxes) pro rated to the Closing Date. Buyer shall pay such sums to the appropriate taxing authority prior to delinquency. No reappropriations will be made based on the actual amount of such taxes for the year of the Closing. The Seller and the Buyer will each pay their respective pro rata portion of all rent attributable to the Leased Premises for the month in which the Closing Date occurs, and Seller will instruct the landlord under such lease to transfer any required deposits into the name of Seller. The Seller and Buyer each shall pay their respective pro rate portion as of the Closing Date of all salaries and wages for the appropriate pay periods that have not been satisfied prior to the Closing.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES
OF SELLER**

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

Section 3.1. Organization and Good Standing; Capitalization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and has all requisite power and authority to carry on its business as presently conducted.

Section 3.2. Authorization. The execution and delivery of this Agreement and the other agreements and documents required to be delivered by Seller in accordance with the provisions hereof (the "Seller's Documents") and performance by Seller of its obligations hereunder and thereunder have been duly and validly authorized by all necessary action on the part of Seller. This Agreement has been, and the Seller's Documents will be, duly executed and delivered on behalf of Seller, by duly authorized officers of Seller; and this Agreement constitutes, and except for the necessary approval of the Bankruptcy Court, the Seller's Documents when executed and delivered will constitute, the valid and binding obligations of Seller.

Section 3.3. Compliance With Other Instruments. Except as set forth on Schedule 3.3, neither the execution and delivery by Seller of this Agreement and the Seller's Documents, nor the consummation by Seller of the Transactions, will, with or without the giving of notice or passage of time, or both, (i) conflict with, or result in a breach or violation of, or constitute a default under any Charter Documents, material Contract (other than the lease for the Leased Premises and Seller's GSA Schedule) or applicable law, (ii) require any authorization or approval of, or filing with, any governmental agency, authority or other body or any other Person (other than as set forth in Schedule 3.3), or (iii) conflict with or violate, breach, or constitute a default under, or permit the termination or acceleration of maturity of, or result in the imposition of any Encumbrance upon any Subject Asset pursuant to any judgment, order, writ, injunction, decree, demand or assessment issued by any court, or any federal, state, municipal or other governmental agency, board, commission, bureau, instrumentality or department (collectively, any "Order") by which Seller is bound, to which any of them is a party, or to which the Subject Assets are subject; nor is the effectiveness or enforceability of this Agreement or such other documents adversely affected by any provision of the Charter Documents of Seller.

Section 3.4. Compliance with Laws. Seller has complied, and through the Closing will continue to comply, in all material respects with federal, state and local laws, rules and regulations applicable to the Business and the Subject Assets, as currently conducted. Schedule 3.4 sets forth a list of all certificates, authorizations or permits issued by the local, state or federal regulatory agencies or bodies necessary to conduct the Business.

Section 3.5. Financial Statements. Seller has heretofore made available and provided to Buyer the 2009 and year-to-date April, 2010 financial statements attached as Schedule 3.5 (the "Financial Statements"). The Financial Statements have been prepared from, and are in accordance with, the books and records of Seller and, to the Knowledge of Seller have been prepared in accordance with GAAP and are true, complete and correct in all material respects, and fairly present the financial condition and the results of operations of the Business as of the respective dates thereof, and for the respective periods covered thereby.

Section 3.6. Accounts Receivable. All of Seller's accounts receivable represent valid claims against the account debtors that were generated by Seller in the ordinary course of business and represent fully completed bona fide transactions that require no further act on the part of Seller, and, except for doubtful accounts as disclosed on Schedule 3.6, are fully collectible and are not subject to any counterclaim, set off, credit or adjustment. All Accounts Receivable of Seller, with an aging report are listed on Schedule 3.6 and attached hereto.

Section 3.7. Absence of Certain Customer Changes. Except for customers who have indicated they may not be able to buy from the Seller as a result of the Seller's bankruptcy filing or as disclosed on Schedule 3.7, none of Seller's customers whose business exceeded Twenty-five Thousand Dollars (\$25,000) for the year ended December 31, 2009 (each a "Significant Customer") has terminated or indicated an intention to terminate its business with, or reduce the volume of its business with, Seller.

Section 3.8. Condition of Tangible Assets. All the tangible Subject Assets are "as is" and no representation regarding their condition is made.

Section 3.9. Intellectual Property, Licenses, Patents, Trademarks, Trade Secrets, Etc.

(a) Except for the patents, trade secrets, trade names and domain names listed on Schedule 3.9, Seller has no trademarks, trade dresses, service marks, trade names, copyrights, computer programs or program rights, patents, licenses or other similar intangible property rights and interests ("Intellectual Property") which it uses in connection with the Business. Seller's records adequately document its ownership of all software used in the Business, including software listed on Schedule 3.9. Seller has not received written notice from any third Person that its use of the trade names listed in Schedule 3.9 or any other Intellectual Property conflicts with the intellectual property rights of any third Person. No Person has made or, to the Seller's Knowledge, threatened to make any claims that the operation of the Business is in violation of or infringes any intellectual property rights of any third Person.

(b) Seller has received no written claims challenging its right to use any trade secrets, customer lists or operating methods required for or incident to the operation of the

Business. To the best of its Knowledge, Seller is not using or in any way making use of any confidential information, Patents or trade secrets of any third Person, including without limitation, a former employer of any present or past employee or Seller.

(c) Seller has not granted, transferred, sold, or otherwise conveyed to any third Person a license to the source code of any of the Intellectual Property (including computer software) described above under "Subject Assets" other than pursuant to licenses that will be rejected in connection with Seller's bankruptcy filing.

(d) Seller has granted to various third Persons (including customers, installers, and others) an end user license to the object code to the Intellectual Property (including computer software) described above under "Subject Assets".

Section 3.10. Insurance.

(a) The assets, properties and operations of Seller are insured under various policies of general liability and other forms of insurance, all of which are listed in Schedule 3.10(a). Except as set forth in Schedule 3.10(a), Seller has filed no insurance claims. All policies listed in Schedule 3.10(a) as current policies are in full force and effect in accordance with their terms, no notice of cancellation has been received, and there is no existing default or event which, with the giving of notice or lapse of time or both, would constitute a default thereunder. Seller has not been refused any insurance by any insurance carrier to which it has applied for insurance or with which it has carried insurance. Schedule 3.10(a) also contains a true, complete and correct list of all outstanding bonds and other surety arrangements issued or entered into in connection with the Business or the Subject Assets.

(b) Schedule 3.10(b) lists open and pending insurance claims relating to the Subject Assets and/or the Business.

Section 3.11. Brokers. No agent, broker, investment banker, financial advisor or other Person engaged by or on behalf of Seller or any of its Affiliates is or will be entitled to a fee or commission in connection with the Transactions.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER**

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

Section 4.1. Organization and Good Standing. Buyer is a Washington limited liability company duly organized, validly existing and in good standing under the laws of the state of its formation, and has all requisite power and authority to own, operate and lease its properties and carry on its business as presently conducted. Buyer has all requisite power and authority to execute and deliver, and perform its obligations under, this Agreement and to consummate the Transactions. Buyer is qualified to do business as a limited liability company and is in good

standing as a limited liability company in each jurisdiction where failure to so qualify would have a material adverse effect on Buyer.

Section 4.2. Authorization. The execution and delivery of this Agreement and the other agreements and documents required to be delivered by Buyer in accordance with the provisions hereof (the "Buyer's Documents") and performance by Buyer of its obligations hereunder and thereunder have been duly and validly authorized by all necessary action on the part of Buyer. This Agreement has been, and the Buyer's Documents will be, duly executed and delivered on behalf of Buyer, by duly authorized officers of Buyer; and this Agreement constitutes, and the Buyer's Documents when executed and delivered will constitute, the valid and binding obligations of Buyer, enforceable in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization or similar laws from time to time in effect affecting creditors' rights generally and by legal and equitable limitations on the availability of specific remedies (the "Enforceability Limitations").

Section 4.3. Compliance with Other Instruments. Neither the execution and delivery by Buyer of this Agreement and the Buyer's Documents, nor the consummation by Buyer of the Transactions, will, with or without the giving of notice or passage of time, or both, (i) conflict with, or result in a breach or violation of, or constitute a default under any Charter Documents or applicable law or (ii) conflict with or violate, breach, or constitute a default under, or permit the termination or acceleration of maturity of, or result in the imposition of any Encumbrance upon any property or asset of Buyer pursuant to any provision of, any note, bond, indenture, mortgage, deed of trust, evidence of indebtedness or other Contract or any Order by which Buyer is bound, to which the assets of Buyer are subject; nor is the effectiveness or enforceability of this Agreement or such other documents adversely affected by any provision of the Charter Documents of Buyer.

Section 4.4. Brokers. No agent, broker, investment banker, financial advisor or other Person engaged by or on behalf of Buyer or any of its Affiliates is or will be entitled to a fee or commission in connection with the Transactions.

Section 4.5. No Governmental or Other Authorization Required. Except as otherwise set forth herein, no authorization or approval of, or filing with, any governmental agency, authority or other body or any other third persons will be required in connection with Buyer's execution and delivery of the Agreement and Buyer's Documents or its consummation of the transaction contemplated hereby and thereby.

ARTICLE 5 PRE-CLOSING AGREEMENTS

Section 5.1. Access to Information and Facilities. Seller shall afford Buyer and its representatives reasonable access during normal business hours to all facilities, employees, properties, books, accounts, records, contracts and documents of or relating to the Subject Assets and Business in Seller's possession or control, subject to reasonable requirements that Buyer not interfere with the operations and activity of the Business. Such access shall include inspections by Buyer and its representatives of the Leased Premises (including, without limitation, all roofs,

electric, mechanical and structural elements, HVAC systems, and Seller's operating equipment), soil analysis and environmental investigations, and examination of the records of Seller with respect thereto. Until Closing the Business shall be operated in the normal course, and no books, accounts, records, contracts or documents of Seller will be destroyed, altered or removed from Seller's premises.

Section 5.2. Confidentiality.

(a) Neither Party shall use or disclose to others, or permit the use or disclosure of, any and all non-public information furnished by each to the other (including confidential information transmitted by each to its representatives, accountants, counsel, advisors or bankers ("Representatives")) in the course of negotiations relating to this Agreement and the business and financial reviews and investigations referred to in this Agreement, except to their respective officers, directors, managers, employees and Representatives who need to know such information (and who will each be subject to confidentiality as provided herein) in connection with this Agreement.

(b) In the event that the sale contemplated by this Agreement is not consummated for any reason, each Party agrees to return to the other Party all materials, and all copies of such materials, regardless of form of the copy (i.e. email, hard copy) containing nonpublic information provided by the other immediately with or without request. The confidentiality obligation set forth in this Section 5.2 shall survive termination of this Agreement.

(c) Each Party agrees that the confidential information of the other Party is unique and that its release or misuse in contravention of the terms of this Agreement may not be compensable in monetary damages and that the non-breaching Party shall be entitled to seek appropriate injunctive relief therefor. In connection therewith the parties waive the claim or defense that an adequate remedy exists at law.

Section 5.3. Continued Efforts.

(a) Each of the Parties hereto shall use reasonable business efforts (i) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the Transactions, and (ii) to refrain from taking, or cause to be refrained from taking, any action and to refrain from doing or causing to be done, anything which could impede or impair the consummation of the Transactions. Each of the Parties hereto shall use its reasonable business efforts (A) to prepare and file with the applicable governmental authorities all requisite applications and amendments thereto, together with related information, data and exhibits, necessary to request issuance of orders approving the Transactions by all such applicable authorities, (B) to obtain all necessary or appropriate waivers, consents and approvals, (C) to effect all necessary registrations, filings and submissions, (D) to lift any injunction or other legal bar to the Transactions (and, in such case, to proceed therewith as expeditiously as possible), and (E) to obtain the satisfaction of the conditions specified in Articles 6 and 7.

(b) The Parties shall cooperate with one another in the preparation of all Tax returns, questionnaires, applications or other documents regarding any Taxes or transfer, recording, registration or other fees which become payable in connection with the Transactions that are required to be filed on or before the Closing Date.

ARTICLE 6
CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE

The obligation of Buyer to purchase the Subject Assets and the Business and carry out the other Transactions are, unless waived in writing by Buyer, subject to the satisfaction, on the Closing Date, of the following conditions:

Section 6.1. Accuracy of Representations and Performance of Seller. (i) The representations and warranties of Seller contained in this Agreement or any Seller's Documents shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as though made on and as of such date, except (x) to the extent such representations and warranties expressly speak as of an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date) and (y) that representations and warranties that are qualified as to materiality shall be true and correct in all respects; (ii) each and all of the agreements and covenants to be performed or satisfied by Seller hereunder or under any Seller's Documents at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and (iii) Seller shall have furnished Buyer with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements.

Section 6.2. Third Person Consents. Except for the approval of the landlord under the lease for the Leased Premises and the consent for the transfer of Seller's GSA Schedule, Seller shall have procured all of the third Person consents identified in Schedule 3.3 and all authorizations and all approvals to transfer to Buyer all permits necessary for the operation of the Business, and Seller shall have obtained authorizations and approvals to the assignment and continuation of all other material Contracts necessary for the operation of the Business by Buyer following Closing and arrangements which, in the reasonable judgment of Buyer, require such authorizations and approvals and with respect to which Buyer shall have notified Seller in writing not less than ten (10) days prior to the Closing.

Section 6.3. Instruments of Conveyance and Transfer. Seller shall have delivered to Buyer all bills of sale, endorsements, assignments, certificates of title (with respect to vehicles owned by Seller) and other instruments of conveyance and transfer reasonably satisfactory in form and substance to Buyer and its counsel, effecting the sale, transfer, assignment and conveyance of Seller's right, title and interest in and to the Subject Assets to Buyer.

Section 6.4. Approvals. The Bankruptcy Court shall have approved the Transactions, and the order approving the Transactions shall have become final. The order approving the transactions shall be in a form acceptable to Buyer and shall contain provisions indicating the Seller owns the Subject Assets and the Subject Assets are being transferred free and clear of all

liens, claims, encumbrances pursuant to Section 363 of the Bankruptcy Code and Buyer shall have no liability to any creditor of Seller under theories of successor liability or otherwise.

Section 6.5. Further Documents. Seller shall have executed and delivered to Buyer all Seller's Documents and such documents, instruments, agreements, and certificates as may reasonably be needed to carry out the Transactions.

ARTICLE 7 CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE

The obligation of Seller to sell, assign, transfer and deliver the Subject Assets and the Business to Buyer hereunder and to carry out the other Transactions are, unless waived in writing by Seller, subject to the satisfaction at or prior to the Closing Date of the following conditions:

Section 7.1. Accuracy of Representations and Performance of Conditions. (i) The representations and warranties of Buyer contained in this Agreement or any Buyer's Documents shall be true and correct at and as of the Closing Date with the same force and effect as though made on and as of such date, except (x) to the extent such representations and warranties expressly speak as of an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date) and (y) that representations and warranties that are qualified as to materiality shall be true and correct in all respects; (ii) each and all of the agreements and covenants to be performed or satisfied by Buyer hereunder or under any Buyer's Documents at or prior to the Closing Date shall have been duly performed or satisfied in all material respects; and (iii) Buyer shall have furnished Seller with such certificates and other documents evidencing the truth of such representations, warranties, covenants and agreements.

Section 7.2. Corporate Approval. Buyer shall deliver certified copies of resolutions adopted by Buyer's members pertaining to the authorization of this Agreement and the consummation of the Transactions, and a certificate executed by the secretary or assistant secretary of Buyer as to the due election, qualification and incumbency and valid signatures of its officers authorized to sign this Agreement or any document or certificates to be delivered hereunder.

Section 7.3. Court Approval. The Bankruptcy Court shall have approved the Transactions, and the order approving the Transactions shall have become final.

ARTICLE 8 THE CLOSING

Section 8.1. Closing and Closing Provisions. The Closing shall be effected by delivery of documents at the office of the Seller, 12500 Network Blvd. Suite 306, San Antonio, Texas 78249, and payment of the Purchase Price each as provided herein or in such other manner and at such place as the parties may agree.

Section 8.2. Deliveries by Seller. At or prior to the Closing, Seller shall execute and deliver to Buyer all of the certificates and other documents, including, without limitation, Seller's Documents.

Section 8.3. Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the Purchase Price, subject to adjustments as permitted by this Agreement, in the manner and form provided for in this Agreement, and all the certificates and other documents, including, without limitation, Buyer's Documents.

ARTICLE 9 POST-CLOSING MATTERS

Section 9.1. Records of the Business. For a period of four years following the closing or for such a longer period as the statute of limitations applicable to claims for taxes relating to the Business for any period through the effective time shall be extended (through voluntary extension or otherwise), Buyer shall retain, and shall grant to Seller and its representatives, at Seller's request, reasonable access to and the right to make copies of, those records and documents which report the conduct of the Business or the results thereof as may be necessary in connection with Seller's affairs or the Business at Seller's expense. If Seller notifies Buyer that Seller requires retention of such records beyond four years, Seller shall have the right to take such records or pay Buyer's storage charges for such post-four year period. Seller shall, for at least two years after the Closing Date, retain copies of all records of the Business retained by Seller, and shall grant access thereto to Buyer upon reasonable request.

ARTICLE 10 TERMINATION

Section 10.1. Termination of Agreement. The parties may terminate this Agreement as provided below:

- (a) Buyer and Seller may terminate this Agreement by mutual written consent at any time prior to the Closing;
- (b) Buyer may terminate this Agreement by giving written notice to Seller at any time prior to the Closing (i) in the event Seller has breached any representation, warranty, or covenant contained in this Agreement in any material respect, Buyer has notified Seller of the breach, and the breach has continued without cure for a period of twenty (20) days after the notice of breach or (ii) if the Closing shall not have occurred on or before the Termination Date, by reason of the failure of any condition precedent under Article 6 hereof (unless the failure results primarily from Buyer itself breaching any representation, warranty, or covenant contained in this Agreement); and
- (c) Seller may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing (i) in the event Buyer has breached any representation, warranty, or covenant contained in this Agreement in any material respect, Seller has notified Buyer of the breach, and the breach has continued without cure for a period of twenty (20) days after the notice of breach or (ii) if the Closing shall not have occurred on or before the Termination Date, by reason of the failure of any condition precedent under Article 7 hereof (unless the failure results primarily from Seller breaching any representation, warranty, or covenant contained in this Agreement).

Section 10.2. Effect of Termination. If either Buyer or Seller terminates this Agreement pursuant to Section 10.1, all rights and obligations of the parties hereunder, other than the confidentiality obligation set forth in Section 5.2, upon written notice to the other parties, shall terminate without any liability of any Party to any other Party; provided, however, that such termination shall not relieve any Party from liability for breach of any representation, warranty, covenant or agreement set forth in this Agreement. In the event the transaction is not consummated as a result of a breach of this Agreement by Buyer or Seller, the party causing the breach shall immediately pay for or reimburse the non-breaching party for its reasonable and documented out of pocket expenses incurred by such non-breaching party or on its behalf in connection with this transaction and Agreement, including but not limited to attorney's fees, investment bankers' fees, consultant's and accountant's fees.

ARTICLE 11 MISCELLANEOUS PROVISIONS

Section 11.1. Expenses. Except as otherwise provided herein, each of the parties shall pay all costs and expenses incurred or to be incurred by it in the negotiation and preparation of this Agreement and in closing and carrying out the Transactions. The party that customarily bears the economic burden thereof shall pay all sales, transfer and similar Taxes and costs, fees and expenses associated with state, city, county, municipal and other regulatory filings, licenses and notices required in connection with this Agreement or the Closing.

Section 11.2. Headings. The subject headings of the sections and subsections of this Agreement are included only for purposes of convenience, and shall not affect the construction or interpretation of any of its provisions.

Section 11.3. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on this Agreement delivered by fax or telecopier shall be considered original signatures for purposes of effectiveness of this Agreement.

Section 11.4. Rights of Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Person to any Party to this Agreement, nor shall any provision give any third Persons any right of subrogation or action against any Party to this Agreement.

Section 11.5. Assignment. Buyer may assign this Agreement without written consent as long as all representations, warranties, covenants and agreements contained herein shall be binding upon and inure to the benefit of the assigned party and their authorized assigns and their respective successors, heirs and administrators. Except as provided in the following paragraph, the rights and obligations of the Seller and Shareholders to this Agreement or any interest in this Agreement shall not be assigned, transferred or otherwise disposed of without the prior written consent of the Buyer which consent may be withheld in Buyer's sole discretion.

Section 11.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if delivered by telecopier (with notice of receipt provided that a copy is delivered to the recipient by overnight private carrier), or if served personally on the Party to whom notice is to be given; or if delivered by overnight private carrier, on the date of delivery; or on the third (3rd) business day after mailing if mailed to the Party to whom notice is to be given by first class mail, certified, postage prepaid, and properly addressed as following:

To Buyer:

MDI Security LLC
3215 South 12th St.
Tacoma, WA 98405
Attention: Troy Paddock
Telecopier: _____

To Seller:

Monitor Dynamics, Inc.
12500 Network Blvd. Suite 306
San Antonio, Texas 78249
Attention: Robert Schorr, President
Telecopier: (210) 210-477-5401

Any Party may change its address for purposes of this paragraph by giving the other parties written notice of the new address in the manner set for above.

Section 11.7. Applicable Law; Jurisdiction and Remedies. This Agreement shall be governed by and shall be construed and enforced in accordance with the internal laws of the State of Texas (without reference to principles of conflicts or choice of law that would cause the application of the internal laws of any other jurisdiction). The Parties hereto expressly consent and agree that any dispute, controversy, legal action or other proceeding that arises under, results from, concerns or relates to this Agreement may be brought in the Bankruptcy Court, and acknowledge that they will accept service of process by registered or certified mail or the equivalent directed to their last known address as determined by the other Party in accordance with this Agreement or by whatever other means are permitted by such courts. The parties hereto hereby acknowledge that said court has jurisdiction over any such dispute or controversy and that they hereby waive any objection to personal jurisdiction or venue in these courts or that such courts are an inconvenient forum.

Section 11.8. Additional Instruments and Assistance. Each Party hereto shall at any time, and from time to time after the Closing Date, upon reasonable request of the other Party or its counsel, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to carry out the intent of this Agreement, at the expense of the requesting Party.

Section 11.9. Severability. If any provision of this Agreement is held or deemed to be invalid or unenforceable to any extent when applied to any Person or circumstance, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement; the remaining provisions hereof and the enforcement of such provision with respect to other Persons or circumstances, or to another extent, shall not be affected thereby and each provision hereof shall be enforced to the fullest extent allowed by law. Moreover, the invalid or inoperative provision shall be reformed and construed so that it shall be valid and enforceable to the maximum extent permitted.

Section 11.10. Pronouns and Terms. In this Agreement, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

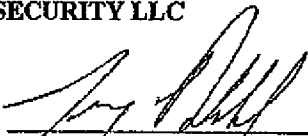
Section 11.11. Expense Reimbursement. In the event the Bankruptcy Court does not approve the Transactions contemplated by this Agreement and enters an order approving the sale of all or substantially all of the Subject Assets to another bidder, Seller shall reimburse Buyer for the reasonable costs and expenses incurred by Buyer in the negotiation, preparation, due diligence, or other activity associated with the transactions contemplated by this Agreement, including, but not limited to, attorney and other professional fees, travel costs and communication costs.

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

MDI SECURITY LLC

MONITOR DYNAMICS, INC.

By:


Name: Troy Paddock
Title: Member

By:

Name: _____
Title: _____

Section 11.9. Severability. If any provision of this Agreement is held or deemed to be invalid or unenforceable to any extent when applied to any Person or circumstance, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement; the remaining provisions hereof and the enforcement of such provision with respect to other Persons or circumstances, or to another extent, shall not be affected thereby and each provision hereof shall be enforced to the fullest extent allowed by law. Moreover, the invalid or inoperative provision shall be reformed and construed so that it shall be valid and enforceable to the maximum extent permitted.

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


MDI SECURITY LLC

MONITOR DYNAMICS, INC.

By:


Name: Troy Paddock
Title:

By:


Name: ROBERT A. SCHORR
Title: COO