

**VISUALVAULT TECHNOLOGIES INC.**

**("VVT")**

**- and -**

**AUERSOFT LLC**

**("Auersoft")**

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**PURCHASE AND SALE AGREEMENT**

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Dated as of October 14, 2011

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 14<sup>th</sup> day of October, 2011

AMONG:

**VISUALVAULT TECHNOLOGIES INC.**, a body corporate incorporated pursuant to the laws of the province of British Columbia; (“**VVT**”)

– and –

**AUERSOFT LLC**, a body corporate formed pursuant to the laws of the state of Arizona; (“**Auersoft**”)

**WHEREAS** Auersoft carries on the business of developing and marketing document management software solutions and related products and services to customers and value added resellers in a wide variety of industries including government, healthcare, manufacturing, and professional services (the “**Business**”);

**AND WHEREAS** Auersoft has agreed to sell to VVT and VVT has agreed to purchase from Auersoft substantially all the assets, property and undertakings of and pertaining to the Business, upon and subject to the terms and conditions of this Agreement;

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereto agree as follows:

### **ARTICLE 1 INTERPRETATION**

#### **1.1 Definitions**

In this Agreement,

1.1.1 “**Affiliate**” means an affiliated entity for purposes of section 1.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*, as in effect on the date hereof unless the context otherwise requires;

1.1.2 “**Agreement**” means this acquisition agreement and all schedules and any permitted amendments to this Agreement;

1.1.3 “**Audited Financial Statements**” means the audited consolidated financial statements of Auer Precision Stamping, Inc. & Subsidiaries for the three years ended December 31, 2010, December 31, 2009 and December 31, 2008, including the notes thereto and the report of the auditors thereon, attached as Schedule 1.1.3;

1.1.4 “**Audited Statements Date**” means December 31, 2010;

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1.1.5 “**Auersoft’s Counsel**” means the firm of Detwiller DiGiacomo, P.C., of Arizona, or such other counsel as Auersoft may appoint with respect to this Agreement and the matters contemplated hereby;

1.1.6 “**Auersoft Liabilities**” means the trade accounts payable (including, for greater certainty, any amounts included therein in respect of any sales taxes payable) relating to the Business, operating leases, unearned revenue, the accrued liabilities under the Contracts to the extent that the same are not in default and accrued wages, salaries, bonuses, vacation pay and employee benefits in respect of those employees of Auersoft in the Business who accept employment with VVT and commence working for VVT as of the Date of Closing excluding, with respect to any of the foregoing liabilities, the Excluded Liabilities;

1.1.7 “**Authorization**” means, with respect to any Person, any order, permit, approval, waiver, licence, registration or similar authorization of any Governmental Body having jurisdiction over the Person;

1.1.8 “**Benefit Plans**” means all plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered which Auersoft is a party to or bound by or which the employees of Auersoft in the Business participate in or under which Auersoft has, or will have, any liability or contingent liability under or, pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any employees of Auersoft in the Business or former employees of Auersoft in the Business, directors or officers, individuals working on contract with Auersoft or other individuals providing services to any of them of a kind normally provided by employees of Auersoft in the Business (or any spouses, dependents, survivors or beneficiaries of any such persons) excluding Statutory Plans;

1.1.9 “**Business**” means the business carried on by Auersoft just prior to the Closing Time;

1.1.10 “**Business Day**” means any day except a Saturday, a Sunday and a statutory holiday in the state of Arizona;

1.1.11 “**Closing**” means the completion of the transactions contemplated in Article 2;

1.1.12 “**Closing Time**” means 11:00 a.m. (Arizona time) on the Date of Closing or such other time on such date as may be agreed upon in writing by the parties;

1.1.13 “**Date of Closing**” means the earlier of (i) the date set for Closing as mutually agreed to by VVT and Auersoft or (ii) January 31, 2012;

1.1.14 “**Financial Statements**” means the Audited Financial Statements and the Unaudited Financial Statements;

1.1.15 “**Governmental Body**” means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable Person, asset, obligation or other matter;

1.1.16 “**Governmental Charges**” means all taxes, duties, levies, assessments, reassessments and other charges together with all related penalties, interest and fines, payable in respect of periods ending on or before the Date of Closing to any Governmental Body having jurisdiction in the relevant circumstances;

1.1.17 “**Intellectual Property**” means trademarks and trade mark applications, trade names (whether or not registered), certification marks, patents and patent applications, copyrights, know-how, formulae, processes, inventions, technical expertise, research data, trade secrets, industrial designs and other similar property, and all registrations and applications for registration thereof, and includes computer software;

1.1.18 “**Law**” means any and all laws, including all federal, state, provincial and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, directives, decisions, rulings or awards or other requirements of any Governmental Body, binding on or affecting the Person referred to in the context in which the term is used;

1.1.19 “**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement or other similar encumbrance of any nature, or any other arrangement or condition creating an interest in property which, in substance, secures payment or performance of an obligation (provided the same have been complied with);

1.1.20 “**Material Adverse Effect**” or “**Material Adverse Change**” means any effect or change on or to the Business, taken as a whole, that is or could be materially adverse to the operations, financial condition, licences, permits, rights, privileges, assets, properties, capital, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), cash flow or income or prospects of the Business or that is or could be materially adverse to the completion of the transactions contemplated in this Agreement;

1.1.21 “**Material Fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the operations, financial condition, licences, permits, rights, privileges, assets, properties, capital, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), cash flow or income or prospects of the Business;

1.1.22 “**Misrepresentation**” means (i) an untrue statement of a Material Fact or (ii) an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

1.1.23 “**Occupational Safety and Health Law**” means any federal, provincial, municipal or local statute, law, by-law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning employee health and/or safety;

1.1.24 “**Ordinary Course**” means, with respect to an action taken by a Person, that such action is consistent in all material respects with past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;

1.1.25 “**Pension Plans**” means all Benefit Plans relating to retirement or retirement savings including pension plans, pensions or supplemental pensions, “registered retirement savings plans” (as defined in the Tax Act), “registered pension plans” (as defined in the Tax Act) and “retirement compensation arrangement” (as defined in the Tax Act);

1.1.26 “**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity, however designated or constituted;

1.1.27 “**Purchased Assets**” means all of the assets of Auersoft forming the Business (for greater certainty, including all related goodwill but excluding the Excluded Assets), at the Closing Time, that are to be acquired by VVT on the Date of Closing, as set forth in Section 2.1;

1.1.28 “**Statutory Plans**” means statutory benefit plans which Auersoft is required to participate in, or comply with, including any pension plans and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;

1.1.29 “**Tax Act**” means any code, law, ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its assets, liabilities or business, including those promulgated, interpreted or enforced by any Governmental Body with respect to any United States federal, state, provincial, local or foreign taxes and any other applicable duties, withholding, back-up withholding, levies, fees, charges and assessments that are in the nature of a tax, including Title 42 and Title 43 of the Arizona Revised Statutes, as amended, and the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder. ;

1.1.30 “**Unaudited Financial Statements**” means the unaudited financial statements of Auersoft for the nine months ended September 30, 2011, attached as Schedule 1.1.30; and

1.1.31 “**VVT’s Counsel**” means the firm of Buttonwood Law Corporation of Vancouver, British Columbia, or such other counsel as VVT may appoint with respect to this Agreement and the matters contemplated hereby.

## 1.2 Schedules and Exhibits

1.2.1 The following are the Schedules attached to this Agreement:

Schedule 1.1.3	-	Audited Financial Statements
Schedule 1.1.30	-	Unaudited Financial Statements
Schedule 2.1.1	-	Intellectual Property
Schedule 2.1.2	-	Purchased Inventories
Schedule 2.1.3	-	Prepaid Expenses
Schedule 2.1.4	-	Scheduled Contracts
Schedule 2.1.6	-	Purchased Equipment
Schedule 2.2.3	-	Excluded Contracts
Schedule 2.2.9	-	Excluded Assets
Schedule 2.5	-	Allocation of Purchase Price
Schedule 4.1.5	-	Required Consents
Schedule 4.1.6	-	Restrictive Covenants
Schedule 4.1.7	-	Material Changes to Terms
Schedule 4.1.11	-	Certain Contracts In and Out of Ordinary Course
Schedule 4.1.13	-	Liens on Purchased Assets
Schedule 4.1.19	-	Intellectual Property
Schedule 4.1.20	-	Auersoft Permits
Schedule 4.1.21	-	Computer Systems
Schedule 4.1.24	-	Employment Matters

Schedule 4.1.25	-	Litigation
Schedule 5.1	-	Employment Terms
Schedule 6.1.12	-	Condition – Required Consents

1.2.2 The following are the Exhibits attached to this Agreement:

- Exhibit A-1 – Form of Secured Promissory Note
- Exhibit A-2 – Form of Secured Convertible Promissory Note
- Exhibit B-1 – Form of Security Agreement
- Exhibit B-2 – Form of General Security Agreement
- Exhibit B-3 – Form of Intellectual Property Security Agreement
- Exhibit C – Form of Consulting Agreement
- Exhibit D – Form of Bill of Sale
- Exhibit E – Form of Assignment and Assumption Agreement
- Exhibit F – Form of Trademark Assignment
- Exhibit G – Form of License Agreement
- Exhibit H – Form of Lease Agreement

### **1.3 Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles or Sections are to Articles or Sections of this Agreement.

### **1.4 Gender and Number**

In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

### **1.5 Currency**

Except where otherwise expressly provided, all payments contemplated herein shall be paid in United States funds, and all references herein to dollar amounts are references to dollars in the lawful currency of the United States of America.

### **1.6 Day Not a Business Day**

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

### **1.7 Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the recommendations at the relevant time of the Financial Accounting Standards Board and the American Institute of Certified Public Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein to be applicable on an unconsolidated basis) as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or



liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

### **1.8 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.9 Including**

Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”.

### **1.10 References to this Agreement**

The expressions “hereto”, “hereby”, “hereunder”, “hereof”, and similar expressions refer to this Agreement and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement to Purchase and Sell Purchased Assets**

Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants contained in this Agreement, Auersoft shall sell, and VVT shall purchase, all right, title and interest in and to the assets and rights used by Auersoft, other than Excluded Assets, in carrying on the Business (collectively, the “**Purchased Assets**”). The Purchased Assets shall include the following assets used in connection with the Business:

2.1.1 all right, title and interest of Auersoft in and to Intellectual Property of Auersoft including but not limited to all proprietary document management and compliance software products developed or acquired by Auersoft, trademarks, copyrights, source and object codes for all software, long-lived assets, existing customers and all other material intangible and long-lived assets, including the Intellectual Property listed on Schedule 2.1.1;

2.1.2 all inventories of finished goods, work in process, raw materials and other materials and supplies, including the inventory listed on Schedule 2.1.2 (the “**Purchased Inventories**”);

2.1.3 the full benefit of those prepaid expenses related to the Purchased Assets listed on Schedule 2.1.3 (the “**Prepaid Expenses**”);

2.1.4 all right, title and interest of Auersoft in and to the contracts, agreements, leases, and other legally binding instruments which have been entered into by Auersoft in the Ordinary Course of the Business, the obligations of which have been assumed by VVT pursuant to Section 3.1, including all operating leases, distribution contracts, supply contracts, accounts

contracts, any lease, contractual license or other agreement to which Auersoft is a party or by which Auersoft is bound or to which any of the Purchased Assets is subject, in each case as described on reserves, refunds and rights to payments thereunder Schedule 2.1.4 (the “**Scheduled Contracts**”) (to the extent that the Scheduled Contracts are assignable or transferable and subject to the obtaining of any necessary consents to such assignment or transfer);

2.1.5 the full benefit of all Auersoft Permits (to the extent that the Auersoft Permits are assignable or transferable and subject to the obtaining of any necessary consents to such assignment or transfer);

2.1.6 All equipment, machinery, computer hardware and other equipment used in connection with the Business and listed on Schedule 2.1.6 (the “**Purchased Equipment**”);

2.1.7 all business and financial books, records and data (whether or not recorded on computer) relating to the Business, the Purchased Assets, the Assumed Liabilities and the employees listed on Schedule 5.1, including all customer lists and lists of suppliers, all surveys, plans and specifications relating to the Purchased Assets and all operating manuals, engineering standards and specifications and other information used or required to effectively conduct the Business or operate the Purchased Assets or any of them.

## 2.2 Excluded Assets

Auersoft shall not sell, and VVT shall not purchase, any of the following assets of Auersoft (the “**Excluded Assets**”):

2.2.1 The Purchase Price and Auersoft’s other rights under this Agreement and the other agreements executed in connection herewith;

2.2.2 Auersoft’s charter documents and corporate records;

2.2.3 All contracts and agreements other than the Scheduled Contracts, including those contracts and agreements listed on Schedule 2.2.3;

2.2.4 All “off the shelf” computer software and the licenses thereto, including Microsoft Office and Vista;

2.2.5 All equipment except the Purchased Equipment;

2.2.6 All Auersoft’s rights to payment for goods sold or services rendered by Auersoft in connection with the Business through the Date of Closing;

2.2.7 The convertible note in original principal amount of \$30,000, payable by Manuweb Software Systems Inc. (“**Manuweb**”);

2.2.8 All cash and cash equivalents of Auersoft; and

2.2.9 Those assets, if any, specifically described on Schedule 2.2.9.

## 2.3 Payment for the Purchased Assets

2.3.1 The purchase price for the Purchased Assets shall be the aggregate of Five Million Five Hundred Eighty-Six Thousand Two Hundred Fifty U.S. Dollars (\$5,586,250 USD) (the “**Purchase Price**”) and shall be paid by VVT, as follows:

2.3.1.1 by the payment of One Million U.S. Dollars (\$1,000,000 USD) in cash or immediately available funds delivered by wire transfer to the account designated by Auersoft (the “**Cash Payment**”) on the Date of Closing. The Cash Payment shall be nonrefundable to VVT after its payment.

2.3.1.2 by the delivery of a secured promissory note, substantially in the form attached as Exhibit A-1 hereto (the “**Note**”), in original principal amount of Four Million U.S. Dollars (\$4,000,000 USD), which Note shall provide for payment in two installments, (i) the first of Two Million U.S. Dollars (\$2,000,000 USD), plus accrued but unpaid interest, to be paid by VVT to Auersoft on or before April 30, 2012, and (ii) the second of Two Million U.S. Dollars (\$2,000,000 USD), plus accrued but unpaid interest, to be paid by VVT to Auersoft on or before September 30, 2012. The Note shall be secured by (i) a security agreement under Arizona law, granting Auersoft a first priority security interest in all Purchased Assets other than the Purchased Equipment, substantially in the form attached as Exhibit B-1 hereto (the “**Security Agreement**”), (ii) a general security agreement under British Columbia law, granting Auersoft a first priority security interest in all Purchased Assets, substantially in the form attached as Exhibit B-2 hereto (the “**General Security Agreement**”), and (iii) an intellectual property security agreement under Arizona law, granting Auersoft a first priority security interest in all of the Intellectual Property included in the Purchased Assets, substantially in the form attached as Exhibit B-3 hereto (the “**Intellectual Property Security Agreement**”);

2.3.1.3 by the delivery of a convertible secured promissory note, substantially in the form attached as Exhibit A-2 hereto (the “**Convertible Note**”), in original principal amount of Five Hundred Eighty-Six Thousand Two Hundred Fifty U.S. Dollars (\$586,250 USD), which Convertible Note shall provide for payment, plus accrued and unpaid interest, to be paid by VVT, or its assignee, on or before December 31, 2014. At the option of Auersoft, on or after the first day after the first anniversary of the Date of Closing, the principal amount of such Convertible Note may be converted to 469 common shares of VVT, or that number of common shares of VVT’s assignee as is equivalent. For the avoidance of doubt, upon the contemplated assignment of the Convertible Note to, and the assumption of the Convertible Note by, Manuweb, on or after the first day after the first anniversary of the Date of Closing, the principal amount of such Convertible Note may be converted to Eleven Million Seven Hundred Twenty-Five Thousand (11,725,000) shares of Manuweb Common Stock. The Convertible Note shall be secured by (i) a security agreement under Arizona law, granting Auersoft a first priority security interest in all Purchased Equipment (the “**Security Agreement (Equipment)**”), which Security Agreement (Equipment) shall be substantially in the form of the Security Agreement attached as Exhibit B-1 hereto, other than with respect to the specification of the assets securing the obligation, and (ii) a general security agreement under British Columbia law, granting Auersoft a first priority security interest in all Purchased Equipment (the “**General Security Agreement (Equipment)**”), which General Security Agreement (Equipment) shall be substantially in the form of the Security Agreement attached as Exhibit B-2 hereto, other than with respect to the specification of the assets securing the obligation .

## 2.4 Financial Statements

All financial statements Auersoft is required to prepare pursuant to this Agreement shall be prepared in accordance with United States generally accepted accounting principles applied on a basis consistent with previous fiscal periods, except as otherwise provided in this Agreement.

## 2.5 Tax Treatment

2.5.1 **Allocation of Purchase Price.** VVT and Auersoft, in filing their respective tax returns and in preparing all financial statements, returns and instruments, shall use the allocations of the Purchase Price set forth in Schedule 2.5.

## 2.6 HST Legislation

The parties agree to elect that no tax be payable pursuant to applicable HST legislation with respect to the sale under this Agreement. VVT will prepare and file elections pursuant to the HST legislation, made jointly by the parties, in compliance with the requirements of the HST legislation.

## 2.7 Transfer and Sales Taxes

VVT shall pay all Canadian federal and provincial sales taxes and all other taxes or other like charges payable by VVT in British Columbia.

# ARTICLE 3 ASSUMPTION OF LIABILITIES

## 3.1 Assumed Liabilities

VVT shall assume, perform and in due course pay and discharge all liabilities and obligations (a) arising after the Date of Closing under each of the Scheduled Contracts and (b) arising after the Date of Closing due to VVT's operation of the Purchased Assets (the "**Assumed Liabilities**").

## 3.2 Excluded Liabilities

VVT shall not assume nor bear any responsibility with respect to the payment, performance or discharge of any liabilities or obligations not included in the definition of Assumed Liabilities ("**Excluded Liabilities**"), including, but not limited to, the following:

3.2.1 any indebtedness of Auersoft for borrowed money;

3.2.2 any accounts payable of Auersoft not expressly included as Assumed Liabilities;

3.2.3 Auersoft's liability to any employee of Auersoft arising by reason of the completion of the transactions contemplated by this Agreement, whether in respect of change of control payments, severance or termination payments, damages for wrongful dismissal or any liability in respect of the Benefit Plans or other compensation arrangements;

3.2.4 any liability of Auersoft to any party pursuant to any Scheduled Contract, contract, agreement, lease, or other legally binding instrument arising or resulting from a material breach committed by Auersoft prior to the Date of Closing;

3.2.5 any liability for any compensation to the members of Auersoft;

3.2.6 any inter-company liabilities payable by Auersoft;

3.2.7 any taxes, assessments or levies payable by Auersoft, including payments in respect of workers' compensation, employment insurance or pension plan remittances or any similar legislation, and tax remittable pursuant to the Tax Act; and

3.2.8 any liability or obligation related to the Excluded Assets.

#### ARTICLE 4

#### REPRESENTATIONS AND WARRANTIES

##### 4.1 Representations and Warranties by Auersoft

Auersoft represents and warrants to VVT as follows and acknowledges that VVT is relying upon the following representations and warranties in completing the transactions contemplated hereby:

##### *Corporate Matters*

4.1.1 **Formation and Status of Auersoft.** Auersoft is duly formed and validly existing under the laws of its jurisdiction of formation. Auersoft is duly registered, licensed or qualified to carry on its business in each jurisdiction in which the conduct of its business, or the ownership, leasing or operation of its property and assets, requires such registration, licence or qualification.

4.1.2 **Power and Authority.** Auersoft has the requisite power and capacity to own, lease and operate its property and assets and to carry on the Business, as presently conducted. Auersoft has the requisite power and capacity to enter into and perform its obligations under this Agreement.

4.1.3 **Execution, Delivery and Performance.** The execution, delivery and performance by Auersoft of this Agreement, the sale of the Purchased Assets and the completion of the other transactions contemplated hereby:

4.1.3.1 have been, or will at the Closing Time on the Date of Closing be, duly authorized by all necessary company action;

4.1.3.2 except as set out in Schedule 4.1.5, do not require any consent or approval of, or filing with or notice to, or any Authorization of, any Governmental Body as a condition to the lawful completion of the transactions contemplated by this Agreement;

4.1.3.3 do not (or will not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with or result in a default under, allow any other person to exercise any rights under, or require any consent or reissuance in respect of, any of the terms or provisions of the articles of organization or operating agreement of, or resolutions of the members or managers (or any committee thereof), as the case may be, or any judgment, decree, order or award of any Governmental Body having jurisdiction over Auersoft, or, except as set

out in Schedule 4.1.5, any mortgage, lease, agreement, other legally binding instrument, license or permit to which Auersoft is a party or by which the Business may be affected;

4.1.3.4 will not result in the violation of any Law applicable to Auersoft; and

4.1.3.5 will not give rise to any Lien of any kind whatsoever, other than Permitted Encumbrances, on or with respect to the Purchased Assets or to the acceleration or the maturity of any debt under any material indenture, mortgage, lease, agreement or instrument binding or affecting them or the Purchased Assets.

4.1.4 **Enforceability.** This Agreement has been duly executed and delivered by or on behalf of and constitutes a legal, valid and binding obligation of Auersoft enforceable against it in accordance with its terms, provided that (i) enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors' rights generally and (ii) specific performance, injunctive relief and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

4.1.5 **No Required Consents.** Other than the consents, approvals, filings, notifications, and Authorizations set out in Schedule 4.1.5 (the "**Required Consents**"), there are no consents, approvals, filings, notifications or Authorizations that are (i) required to consummate the transactions contemplated in this Agreement or (ii) required for VVT to carry on the Business, including in the case of both (i) and (ii), in respect of any Scheduled Contract or Auersoft Permit.

4.1.6 **Restrictive Covenants.** Except as set forth on Schedule 4.1.6, Auersoft is not a party to or bound or affected by any contract, agreement, undertaking or commitment (other than a contract, agreement, undertaking or commitment entered into pursuant to Article 6 of this Agreement) limiting the freedom of Auersoft to (i) compete in any line of business or any geographic area, (ii) acquire goods or services, (iii) sell goods or services to any customer or potential customer, or (iv) transfer or move any of its assets or operations other than previously disclosed.

#### ***Matters Relating to the Business and Purchased Assets***

4.1.7 **Absence of Unusual Transactions and Events.** Except as set out on Schedule 4.1.7, Auersoft has not, since the Audited Statements Date, conducted the Business or entered into any contract, commitment or transaction other than in the Ordinary Course of the Business, and, without limiting the generality of the foregoing, has not, except, in each case, in the Ordinary Course of Business, since such date:

4.1.7.1 sold or otherwise disposed of any assets of the kind comprising Purchased Assets reflected in the Financial Statements as of and for the Audited Statements Date or cancelled any debts or claims comprising part of the Purchased Assets;

4.1.7.2 paid any obligation or liability, other than liabilities which are not Assumed Liabilities;

4.1.7.3 made or suffered any change or changes in the Business or in its financial condition, assets, liabilities or operations which, individually or in the aggregate, would have a Material Adverse Effect;



4.1.7.4 made any material change in the manner of its billings, or the credit terms made available by it, to any of its customers under a Scheduled Contract, or any to the price or other terms of any Scheduled Contract not previously disclosed;

4.1.7.5 made any increase in the compensation or other benefits payable or, to become payable to its employees or officers or any of them, or any increase in the benefits provided under any of its pension plans or other employee benefit plans;

4.1.7.6 made any significant write-down of the value of the Purchased Assets or any write-off as uncollectible of the accounts receivable or any portion thereof; or

4.1.7.7 authorized or agreed or otherwise become committed to do any of the foregoing.

4.1.8 **Financial Statements.** The Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (subject to footnotes and usual year-end adjustments in the case of the Unaudited Financial Statements) consistently applied throughout the periods indicated and fairly present in all material respects the financial position of Auersoft in the Business and the results of Auersoft's operations in the Business as of the dates and throughout the periods indicated.

4.1.9 **No Material Adverse Change.** Since the Audited Statements Date, there has been no Material Adverse Change.

4.1.10 **No Default Under Contracts.** Auersoft is not in default or breach of any Scheduled Contract which default or breach would give any other party to such Scheduled Contract the right to terminate such Scheduled Contract, and to Auersoft's knowledge there exists no state of facts which after notice or the passage of time, or both, would constitute such a default or breach, which default or breach would give any other party to such Scheduled Contract the right to terminate such Scheduled Contract, and all such Scheduled Contracts are now in good standing and Auersoft is entitled to all material benefits, rights and privileges thereunder. Correct and complete copies of the Contracts listed on any Schedule to this Agreement have been made available to VVT or, where such contracts are oral, materially correct and complete written summaries of the terms thereof, have been made available to VVT.

4.1.11 **As to Certain Contracts In and Out of the Ordinary Course.** Except as set out in Schedule 4.1.11 and except as disclosed in any other Schedule to this Agreement, Auersoft is not a party to or bound by any:

4.1.11.1 contract, agreement or commitment which expires or may expire, if the same is renewed or extended at the unilateral option of any other Person, more than one year after the date hereof;

4.1.11.2 contract, agreement or commitment for the purchase of materials, supplies or services which requires payment of more than \$25,000, in the case of any single contract, agreement or commitment, or, in the case of all such contracts, agreements or commitments, in excess of \$100,000 in the aggregate, except for purchases in the Ordinary Course of the Business and upon terms and conditions not more onerous than those usual and customary in the business of Auersoft;

4.1.11.3 contract, agreement or commitment for the purchase or sale of any equipment or fixed or capital assets having a fair market value in excess of \$25,000;

- 4.1.11.4 management, consulting, agency or similar contract, agreement or commitment;
- 4.1.11.5 licence or royalty agreement relating to Intellectual Property;
- 4.1.11.6 contract, agreement or commitment to make any gift of any of its property, other than donations made in the Ordinary Course of the Business;
- 4.1.11.7 contract, agreement or commitment which has caused a Material Adverse Effect, could reasonably be expected to cause a Material Adverse Change or is or could reasonably be expected to be materially burdensome to the Business;
- 4.1.11.8 Material Contract (as defined below);
- 4.1.11.9 any lease, agreement to lease or agreement in the nature of a lease, whether as lessor or lessee, and whether in respect of real property or personal property; or
- 4.1.11.10 material contract, agreement or commitment which was not made in the Ordinary Course of the Business.

For the purposes of the foregoing, if a particular contract, agreement or commitment falls within more than one of the categories established by Sections 4.1.11.1 through 4.1.11.10, it need not be set out more than once in Schedule 4.1.11.

For the purposes of this Agreement, a "Material Contract" means any contract, agreement or commitment made of the Business if it requires or may require the provision by Auersoft to any Person of goods or services that either (i) results or would result in annual revenue equal to or greater than \$100,000 or (ii) results or would result in revenue for the twelve months ended December 31, 2011 equal to or greater than \$100,000.

Correct and complete copies of all of the contracts, agreements and commitments set out in Schedule 4.1.11 or, where such contracts are oral, correct and complete written summaries of the terms thereof, have been made available to VVT.

**4.1.12 Compliance with Laws.** Auersoft is conducting the Business in material compliance with all applicable Laws of each jurisdiction in which the Business is carried on. To Auersoft's knowledge no legislation, regulation, by-law or other lawful requirement currently in force or to Auersoft's knowledge proposed to be brought into force by any Governmental Body exists which would reasonably be expected to have a Material Adverse Effect on the Business.

**4.1.13 Title to Purchased Assets.** Auersoft is the absolute beneficial owner of the Purchased Assets and has good and marketable title thereto, in each case free of all Liens, except (i) as set out in Schedule 4.1.13; (ii) in the case of Scheduled Contracts and Auersoft Permits, for the rights of the other parties thereto and of the issuers of such Auersoft Permits. Auersoft has the exclusive right to possess, use, occupy and dispose of the Purchased Assets, subject only to the rights of the other parties to the Material Contracts and the rights of the issuers of the Auersoft Permits and to obtaining the Required Consents. At the Closing Time Auersoft will have the full legal right, power and authority to sell, assign and transfer the Purchased Assets to VVT free of all Liens other than those Liens listed on Schedule 4.1.13 and bearing the notation "Not to be discharged" or words to that effect. Correct and complete copies of the Liens listed on Schedule 4.1.13 have been made available to VVT.



4.1.14 **Compliance with Liens.** Auersoft has complied and is in compliance with the Liens listed on Schedules 4.1.13, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect on the Business.

4.1.15 **No Options or Rights to Acquire Purchased Assets.** Except for VVT under this Agreement, there are no agreements, options or other rights pursuant to which Auersoft is, or may become, obligated to sell any of the Purchased Assets other than pursuant to purchase orders accepted by Auersoft in the Ordinary Course of the Business.

4.1.16 **Assets in Good Condition.** The Purchased Equipment is in good operating condition and repair, ordinary wear and tear excepted. None of such equipment is in need of maintenance or repairs except for ordinary routine maintenance and repairs that are not material in nature or cost.

4.1.17 **No Material Damage.** Since the Audited Statements Date, there has been no damage, destruction or loss materially and adversely affecting the Purchased Assets.

4.1.18 **No Insolvency or Bankruptcy Proceedings.** Auersoft is not insolvent and has not committed any act of bankruptcy, proposed any compromise or arrangement or taken any proceeding with respect thereto and no encumbrancer or receiver has taken possession of any of Auersoft's property, nor is any of the foregoing, to the knowledge of Auersoft, pending or threatened.

As used in this Section 4.1.18, "insolvent" means that the sum of the debts and other probable liabilities of Auersoft exceeds the present fair saleable value of Auersoft's assets.

4.1.19 **Intellectual Property.** Schedule 4.1.19 is a list of all Intellectual Property which comprises trademarks and trademark applications, trade names, certification marks, patents and patent applications, registered copyrights and industrial designs owned and used by Auersoft in the Business, the offices (if any) in which the same is registered (being the only offices where such registration is necessary to preserve the rights thereto) and the applicable expiry dates of any registrations. The Intellectual Property listed therein and all other Intellectual Property which is used by Auersoft in the Business is owned by Auersoft and Auersoft has the sole and exclusive right to use the same, except as noted in Schedule 4.1.19. To the knowledge of Auersoft, the conduct of the Business does not infringe the Intellectual Property of any Person.

4.1.20 **Auersoft Permits.** Auersoft holds all permits, licences, approvals, consents, Authorizations, registrations, certificates or franchises, including all Environmental Permits and Computer Systems Permits required to own, lease or operate the Purchased Assets or any of them or to carry on the Business as presently conducted by Auersoft (collectively, the "**Auersoft Permits**"). All Auersoft Permits not otherwise listed in Schedule 4.1.20 are listed in Schedule 4.1.21.1.2 (including any applicable expiry dates) and are in full force and effect; Auersoft is in compliance with all the terms and conditions relating to the Auersoft Permits, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect on the Business; and there are no Proceedings (as defined in Section 4.1.25) in progress, pending or, to the knowledge of Auersoft, threatened which may result in revocation, cancellation, suspension, rescission or any adverse modification of any of the Auersoft Permits nor are there any facts upon which such Proceedings could reasonably be based.

#### 4.1.21 **Computer Systems, etc.**

4.1.21.1 Schedule 4.1.21 sets out an accurate and complete list of all:

4.1.21.1.1 Intellectual Property that is computer software (including, where applicable, documentation, source code and back-ups) owned or used by or on behalf of Auersoft in connection with the Business, whether stored on or off-site, other than “off the shelf” software (the “**Computer Systems Software**”);

4.1.21.1.2 permits, licences, approvals, consents, authorizations, registrations, certificates and franchises (including applicable expiry dates) relating to Computer Systems Hardware, Computer Systems Software and Computer Dependent Equipment (the “**Computer Systems Permits**”); and

4.1.21.1.3 Material Contracts relating to Computer Systems Hardware, Computer Systems Software and Computer Dependent Equipment, (the “**Computer Systems Contracts**”).

4.1.21.2 For greater certainty, the representations and warranties contained in Sections 4.1.16 and 4.1.17 also apply to machinery, equipment, parts and accessories that is or includes computer or communications hardware owned or operated by or on behalf of Auersoft in connection with the Business (the “**Computer Systems Hardware**”); and to machinery and equipment which incorporates or relies upon Computer Systems Hardware or Computer Systems Software (the “**Computer Dependent Equipment**”) and the representations and warranties contained in Section 4.1.19 also apply to Computer Systems Software. The representations and warranties contained in Section 4.1.20 also apply in respect of Computer Systems Permits and the representations and warranties contained in Section 4.1.10 also apply in respect of Computer Systems Contracts.

4.1.21.3 The original media for any Computer Systems Software purchased by Auersoft, together with proofs of purchase, are available to facilitate upgrades. All Computer Systems Hardware and Computer Dependent Equipment has been installed and operated at all times in accordance with applicable manufacturers’ or suppliers’ maintenance or warranty requirements.

4.1.22 **Books of Account.** The books and records of Auersoft relating to the Business fairly and accurately present in all material respects and disclose the financial position of the Business as at the relevant dates. Such books and records fairly and accurately reflect all of the Purchased Assets. All material financial transactions of Auersoft relating to the Business have been recorded in such books and records in a manner that is complete and accurate in all material respects and in accordance with generally accepted accounting principles in the United States, applied on a basis consistent with preceding fiscal years.

4.1.23 **No Liabilities.** There are no liabilities (whether accrued, absolute, contingent or otherwise) of the type required to be reflected as liabilities on a balance sheet prepared in accordance with U.S. generally accepted accounting principles, except for liabilities reflected or reserved against in the Unaudited Financial Statements and current liabilities incurred in the Ordinary Course of the Business since the date of the Unaudited Financial Statements.

4.1.24 **Employment Matters.** Except as set out in Schedule 4.1.24:

4.1.24.1 Auersoft is not a party to or bound by any oral or written contract or commitment for the employment or retainer of any individual, including, for greater certainty, any contract or commitment with directors, officers, employees, independent contractors or agents, other than for contracts of indefinite hire terminable by Auersoft without cause on reasonable notice;

4.1.24.2 Auersoft is not a party to or bound by any oral or written contract or commitment providing for severance, termination or similar payments or any payment of acceleration of rights or benefits, including on a change of control of Auersoft; and

4.1.24.3 there is no work stoppage or other concerted action, grievance or dispute existing or threatened against Auersoft.

4.1.25 **Litigation.** Except as disclosed in Schedule 4.1.25, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal); arbitration or other dispute settlement procedure; investigation, audit or inquiry by any Governmental Body; or any similar matter or proceeding (collectively the “**Proceedings**”) against or involving Auersoft, or its employees and directors in their capacities as such, in respect of the Business or the Purchased Assets or any Benefit Plan or Statutory Plan (whether in progress or, to the knowledge of Auersoft, threatened). To the knowledge of Auersoft, no event has occurred which might give rise to any Proceedings and there is no judgment, decree, injunction, rule, award or order of any court, government department, board, commission, agency, arbitrator or similar body outstanding against or involving Auersoft, or its employees and directors in their capacities as such, in respect of the Purchased Assets or the Business. No complaint, grievance, claim, work order or investigation has been filed, made or commenced against or involving Auersoft, or its employees and directors in their capacities as such, in respect of or affecting the Business pursuant to any legislation pertaining to human rights, occupational health and safety, workplace safety and insurance, employment standards or pay equity, in each case of the State of Arizona or any similar legislation of the United States.

4.1.26 **Indebtedness.** Except as set out in the Financial Statements, Auersoft has no outstanding bonds, debentures, notes, mortgages or other indebtedness which are material to the Business for borrowed money.

4.1.27 **Tax Matters, etc.** Auersoft has paid or made arrangements for the payment of all Governmental Charges in respect of the Business and the Purchased Assets through the Date of Closing, as well as all professional fees incurred in connection with such Governmental Charges, which are capable of forming or resulting in a lien on the Purchased Assets or of becoming a liability or obligation of VVT after the Date of Closing, other than those Governmental Charges as are included in the Assumed Liabilities. There are no Proceedings (as defined in Section 4.1.25) either in progress, pending or, to the knowledge of Auersoft, threatened in connection with any Governmental Charges in respect of the Business or the Purchased Assets. Auersoft has withheld or collected and remitted all amounts required to be withheld or collected and remitted by it prior to the Date of Closing in respect of any Governmental Charges.

4.1.28 **No Liens for Governmental Charges.** There are no Liens for Governmental Charges upon any Purchased Assets or other assets of the Business.

4.1.29 **Material Facts Disclosed.** Auersoft and its management have disclosed to VVT all Material Facts known to them relating to the Business and the Purchased Assets which could reasonably be expected to be material to an intending purchaser of the Purchased Assets.

#### 4.1.30 **Disclaimer of Other Representations and Warranties.**

EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 4.1, AND EXCEPT AS IT PERTAINS TO THE PURCHASED ASSETS, AUERSOFT MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY IN RESPECT OF AUERSOFT, OR ANY OF ITS ASSETS, LIABILITIES, BUSINESSES OR OPERATIONS, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. ADDITIONALLY, THE DISCLOSURE OF ANY MATTER OR ITEM IN ANY SCHEDULE TO THIS AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN ACKNOWLEDGEMENT THAT ANY SUCH MATTER IS REQUIRED TO BE DISCLOSED. VVT acknowledges the disclaimers made by Auersoft in this Section 4.1.30.

4.1.31 **Customers and Suppliers.** Since the Audited Statements Date, in addition to matters in 4.1.7.4, there has been no termination or cancellation of, no dispute relating to, and no material modification or change in, any Scheduled Contract or the business relationship relating to any Scheduled Contract. Auersoft has not received written notice that any of Auersoft's customers or suppliers will terminate any Scheduled Contract after the Date of Closing.

#### 4.2 **Representations and Warranties of VVT**

VVT represents and warrants to Auersoft and acknowledges that Auersoft is relying upon the following representations and warranties in completing the transactions contemplated hereby:

4.2.1 **Formation and Status of VVT.** VVT is duly incorporated and validly existing under the laws of its jurisdiction of incorporation. VVT is duly registered, licensed or qualified to carry on its business in each jurisdiction in which the conduct of its business, or the ownership, leasing or operation of its property and assets, requires such registration, licence or qualification.

4.2.2 **Power and Authority.** VVT has the requisite corporate power and capacity to enter into and perform its obligations under this Agreement.

4.2.3 **Execution, Delivery and Performance.** The execution, delivery and performance by VVT of this Agreement, the sale of the Purchased Assets and the completion of the other transactions contemplated hereby:

4.2.3.1 have been, or will at the Closing Time on the Date of Closing be, duly authorized by all necessary corporate and shareholder or member action of VVT;

4.2.3.2 do not require any consent or approval of, or filing with, or notice to, or any Authorization of, any Governmental Body as a condition to the lawful completion of the transactions contemplated by this Agreement;

4.2.3.3 do not (or will not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with or result in a default under, allow any other person to exercise any rights under, or require any consent in respect of, any of the terms or provisions of the constating documents or the by-laws of, or resolutions of the shareholders or directors (or any committee thereof), of VVT, or any judgment, decree, order or award of any Governmental Body having jurisdiction over each of them, or any mortgage, lease,

agreement, or other legally binding instrument, license or permit to which each of them is a party or by which each of their businesses may be affected;

4.2.3.4 will not give rise to any Lien of any kind whatsoever, other than Permitted Encumbrances, on or with respect to the properties or assets now owned or acquired at or prior to the Closing Time on the Date of Closing by VVT, or to the acceleration or the maturity of any debt under any material indenture, mortgage, lease, agreement or instrument binding or affecting any of them or their properties, in any case; and

4.2.3.5 will not result in the violation of any Law applicable to VVT.

4.2.4 **Enforceability.** This Agreement has been duly executed and delivered by or on behalf of and constitutes a legal, valid and binding obligation of VVT enforceable against it in accordance with its terms, provided that (i) enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors' rights generally and (ii) specific performance, injunctive relief and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

4.2.5 **Voting or Control of Securities.** There is currently no, and will not at the Closing Time on the Date of Closing, be any agreement in force or effect which, in any manner, affects or will affect the voting or control of any of the securities of VVT.

4.2.6 **Residency.** VVT is not a non-Canadian for the purposes of the *Investment Canada Act* (Canada).

### 4.3 No Finder's Fees

Each of the parties represents and warrants to the other parties that such party has not taken, and agrees that it will not take, any action that would cause any other party to become liable to any claim or demand for a brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated hereby except as disclosed herein.

### 4.4 Survival of Covenants, Representations and Warranties

To the extent that they have not been fully performed at or prior to the Closing Time, the covenants in this Agreement shall survive the Closing. The representations and warranties of each party contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the Closing and continue in full force and effect for a period of eighteen (18) months from the Closing, except for:

4.4.1.1 the representations and warranties set out in Section 4.1.13, which shall survive the Closing and continue in full force and effect without limitation of time; and

4.4.1.2 the representations and warranties set out in Section 4.1.27, which will survive the Closing and continue in full force and effect until sixty days following the expiry of the period in which Governmental Charges may be assessed or reassessed if one or more such representations and warranties were to be incorrect;

and no claim for breach of representation or warranty shall be valid unless the party against whom such claim is made has been given notice thereof before the expiry of the applicable survival period in accordance with Article 8.

**ARTICLE 5**  
**EMPLOYEES**

**5.1 VVT to Offer Employment**

5.1.1 VVT or its wholly owned subsidiary shall, before the Date of Closing, offer to employ, on and after the Date of Closing and conditional on the Closing, the employees of Auersoft listed on Schedule 5.1, on terms and conditions of employment substantially comparable, in the aggregate, to the terms and conditions of their employment on the date hereof. The offers of employment will notify the employees of Auersoft in the Business about the transfer of their personal information. The terms and conditions of employment of the employees of Auersoft in the Business, identified by number excluding their names, at the date hereof and particulars as to the length of time that they have been employed by Auersoft and the location in which they are employed are set out in Schedule 5.1. From the date hereof to the Date of Closing, Auersoft shall use commercially reasonable efforts to encourage employees of Auersoft in the Business to accept VVT's offer of employment, shall not take any action to offer employees of Auersoft in the Business alternate employment with Auersoft and shall not make any changes to the terms and conditions of employment of the employees to be offered employment with VVT as set out in Schedule 5.1; except for normal salary and wage increases made in the Ordinary Course of the Business, consistent with past practice or as may be required pursuant to the terms of any collective agreements referred to in Schedule 4.1.24 .

VVT shall have no obligations to or any liability for any employee of Auersoft in the Business to whom an offer of employment is not required to be made by VVT pursuant to this Agreement, to any employee of Auersoft who does not accept VVT's offer of employment or to any employee of Auersoft who accepts VVT's offer of employment but does not commence working for VVT.

5.1.2 VVT shall enter into an employment agreement with Mr. Tod S. Olsen on terms and conditions to be negotiated and mutually agreed upon between VVT and Mr. Olsen prior to the Date of Closing.

5.1.3 Other than through any holdings of capital stock of Manuweb or VVT that Auersoft may hold from time to time, Auersoft agrees, for a period of three (3) years from the Date of Closing, that Auersoft will not, either alone or in conjunction with any individual, firm, corporation, association or other entity (except for VVT or its affiliates), whether as principal, agent, shareholder or in any other capacity whatsoever:

5.1.3.1 carry on or be engaged in, concerned with or interested in, directly or indirectly, any business that develops and markets enterprise document management software solutions within the U.S. and Canada;

5.1.3.2 attempt to solicit any suppliers, customers or employees of or to the Business away from VVT; or

5.1.3.3 enter into any new agreements or arrangements with any suppliers, customers or employees of or to the Business that exercise the termination provision of any existing contract or agreement with Auersoft as a result of the assignment of such contract or agreement to VVT.

Each of clauses 5.1.3.1, 5.1.3.2 and 5.1.3.3 hereof shall reflect separate covenants and shall be severable one from the other.



## 5.2 Other Benefits

To the extent permitted by applicable Law and the Benefit Plans, VVT will ensure that any statutory benefits provided to the employees of Auersoft in the Business and who accept employment with VVT as of the Date of Closing are provided without interruption to such employees on and after the Date of Closing. Subject to Section 5.1 of this Agreement, Auersoft will be responsible for all employee benefits enjoyed by the employees of Auersoft in the Business, up to and including the Date of Closing. Auersoft will terminate the participation in all Benefit Plans of any Auersoft employee who accepts VVT's offer of employment as of the Date of Closing.

## ARTICLE 6 CONDITIONS

### 6.1 Conditions for the Benefit of VVT

The obligations of VVT to complete the transactions contemplated in this Agreement on the Date of Closing are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of VVT):

6.1.1 **Truth of Representations and Warranties.** The representations and warranties of each of the other parties made in or pursuant to this Agreement shall have been true and correct in all material respects (except for those representations and warranties that are subject to a materiality qualification which shall be true and correct in all respects) and there shall have been no Misrepresentation of a Material Fact (i) as of the date of this Agreement and (ii) as of the Closing Time with the same force and effect as if such representations and warranties had been made on and as of such date, and each party shall have executed and delivered a certificate of a senior officer (without personal liability) to that effect with respect to the representations and warranties of such party which are contained in this Agreement. Neither the receipt of such certificate nor the Closing shall constitute a waiver by the party receiving such certificate of any of the representations and warranties in its favour contained in this Agreement. Upon the delivery of a certificate required under this Section 6.1.1, the representations and warranties of the party delivering such certificate shall be deemed to have been made on and as of the Date of Closing with the same force and effect as if made on and as of such date (except in respect of any representations and warranties that are to be true and correct as a specified date, in which case, they will be true and correct as of that date).

6.1.2 **Compliance with and Performance of Covenants.** Auersoft shall have fulfilled or complied with all covenants contained in this Agreement to be fulfilled or complied with by it at or prior to the Closing and Auersoft shall have executed and delivered a certificate of a senior officer (without personal liability) to that effect.

6.1.3 **Closing Documents and Proceedings.** All documents relating to the due authorization and completion of the transactions contemplated hereby and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by Auersoft of its obligations under this Agreement shall be satisfactory to VVT and to VVT's Counsel, acting reasonably and VVT shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance satisfactory to VVT and VVT's Counsel, acting reasonably.

6.1.4 **Financing.** VVT will have executed and delivered the Note, the Convertible Note, the Security Agreement, the Security Agreement (Equipment), the General Security Agreement, the

General Security Agreement (Equipment) and the Intellectual Property Security Agreement to Auersoft, substantially in the forms attached hereto as Exhibits A-1, A-2, B-1, B-2 and B-3, respectively.

6.1.5 **Executive Employment Agreement.** In addition to entering into the employment agreements contemplated by Section 5.1 the (“**Employment Agreements**”), VVT or its wholly owned subsidiary shall have entered into an employment agreement with Mr. Tod S. Olsen (the “**Executive Employment Agreement**”).

6.1.6 **Consulting Agreements.** VVT or its wholly owned subsidiary shall have entered into Consulting Agreements with Mr. A. Brent Bollong and Mr. Michael R. Lolli, substantially in the form attached hereto as Exhibit C (the “**Consulting Agreements**”).

6.1.7 **Bill of Sale.** Auersoft shall have executed and delivered to VVT the Bill of Sale, substantially in the form attached hereto as Exhibit D (the “**Bill of Sale**”).

6.1.8 **Assignment and Assumption Agreement.** Auersoft shall have executed and delivered to VVT the Assignment and Assumption Agreement, substantially in the form attached hereto as Exhibit E (the “**Assignment and Assumption Agreement**”).

6.1.9 **Trademark Assignment Agreement.** Auersoft shall have executed and delivered to VVT the Trademark Assignment Agreement, substantially in the form attached hereto as Exhibit F (the “**Trademark Assignment Agreement**”).

6.1.10 **License Agreement.** Auersoft shall have executed and delivered to VVT the License Agreement, substantially in the form attached hereto as Exhibit G (the “**License Agreement**”).

6.1.11 **Lease Agreement.** Auersoft Precision Stamping, Inc. shall have executed and delivered to VVT the Lease Agreement, substantially in the form attached hereto as Exhibit H (the “**Lease Agreement**”).

6.1.12 **Required Consents.** All Required Consents set out in Schedule 6.1.12 shall have been obtained in form and substance satisfactory to VVT and VVT’s Counsel, acting reasonably.

6.1.13 **Assignment and Assumption Agreement (Convertible Note).** VVT shall have delivered to Auersoft a fully executed copy of an assignment and assumption agreement, pursuant to which VVT will assign, and Manuweb will assume, VVT’s obligations under the Convertible Note, including to issue securities of Manuweb in the case of any conversion thereunder, subject only to receipt of regulatory approval by Manuweb (the “**Convertible Note Assignment**”).

6.1.14 **Material Adverse Change.** There shall not have been any Material Adverse Change since the Audited Statements Date.

6.1.15 **Discharge of Liens.** Auersoft shall have delivered to VVT evidence in form and substance satisfactory to VVT and VVT’s Counsel that all Liens affecting the Purchased Assets have been discharged in full, other than any Liens which, pursuant to the terms of this Agreement, are not required to be discharged.

6.1.16 **Opinion of Auersoft’s Counsel.** VVT shall have received an opinion of Auersoft’s Counsel in form and substance satisfactory to VVT’s Counsel, acting reasonably, substantially to the same effect as the representations and warranties of Auersoft in Sections 4.1.1, 4.1.2, 4.1.3.1 to 4.1.3.4 and 4.1.4. In rendering such opinion, Auersoft’s Counsel shall be entitled to rely, as to



matters of fact, on certificates of senior officers of Auersoft and shall be entitled to qualify, by reference to his knowledge after appropriate inquiries and investigations, those portions of the opinion which it is reasonable and customary to so qualify.

6.1.17 **No Action to Restrain.** No action or proceeding shall be pending or threatened by any Person in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of VVT to conduct the Business after Closing on substantially the same basis as heretofore operated.

## 6.2 Conditions for the Benefit of Auersoft

The obligation of Auersoft to complete the sale of the Purchased Assets hereunder is subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of Auersoft):

6.2.1 **Truth of Representations and Warranties.** The representations and warranties of VVT made in or pursuant to this Agreement shall have been true and correct in all material respects (except for those representations and warranties that are subject to a materiality qualification which shall be true and correct in all respects) (i) as of the date of this Agreement and (ii) as of the Closing Time with the same force and effect as if such representations and warranties had been made on and as of such date, and each party shall have executed and delivered a certificate of a senior officer (without personal liability) to that effect with respect to the representations and warranties of such party which are contained in this Agreement. Neither the receipt of such certificate nor the Closing shall constitute a waiver by the party receiving such certificate of any of the representations and warranties in its favour contained in this Agreement. Upon the delivery of a certificate required under this Section 6.1.1, the representations and warranties of the party delivering such certificate shall be deemed to have been made on and as of the Date of Closing with the same force and effect as if made on and as of such date (except in respect of any representations and warranties that are to be true and correct as a specified date, in which case, they will be true and correct as of that date).

6.2.2 **Compliance with and Performance of Covenants.** VVT shall have fulfilled or complied with all of its covenants contained in this Agreement to be fulfilled or complied with by it at or prior to the Closing and VVT shall have executed and delivered a certificate of a senior officer (without personal liability) to that effect.

6.2.3 **Payment of Purchase Price.** VVT shall have delivered the Cash Payment to Auersoft and shall have executed and delivered to Auersoft the Note, the Convertible Note, the Security Agreement, the Security Agreement (Equipment), the General Security Agreement, the General Security Agreement (Equipment) and the Intellectual Property Security Agreement, substantially in the forms attached hereto as Exhibits A-1, A-2, B-1, B-2 and B-3, respectively.

6.2.4 **Closing Documents and Proceedings.** All documents relating to the due authorization and completion of the transactions contemplated hereby and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by VVT of its obligations under this Agreement shall be satisfactory to Auersoft and Auersoft's Counsel, acting reasonably, and Auersoft shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance satisfactory to Auersoft and Auersoft's Counsel, acting reasonably.

6.2.5 **Employment Agreements and Executive Employment Agreements.** VVT shall have entered into the Employment Agreements and Executive Employment Agreements.

- 6.2.6 **Bill of Sale.** VVT shall have executed and delivered to Auersoft the Bill of Sale.
- 6.2.7 **Assignment and Assumption Agreement.** VVT shall have executed and delivered to Auersoft the Assignment and Assumption Agreement.
- 6.2.8 **Trademark Assignment Agreement.** VVT shall have executed and delivered to Auersoft the Trademark Assignment Agreement.
- 6.2.9 **License Agreement.** VVT shall have executed and delivered to Auersoft the License Agreement.
- 6.2.10 **Lease Agreement.** VVT shall have executed and delivered to Auersoft Precision Stamping, Inc. the Lease Agreement.
- 6.2.11 **Assignment and Assumption Agreement (Convertible Note).** VVT shall have delivered to Auersoft a fully executed copy of the Convertible Note Assignment.
- 6.2.12 **Opinion of VVT's Counsel.** Auersoft shall have received an opinion of VVT's Counsel in form and terms satisfactory to Auersoft's Counsel substantially to the same effect as the representations and warranties of VVT in Section 4.2.1, 4.2.2, 4.2.3.1 to 4.2.3.3, 4.2.3.5 and 4.2.4.
- 6.2.13 **No Action to Restrain.** No action or proceeding shall be pending or threatened by any Person in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement.

## ARTICLE 7

### ADDITIONAL AGREEMENTS OF THE PARTIES

#### 7.1 **Covenant Regarding Representations, Warranties and Conditions**

Except as expressly provided in this Agreement or except with the prior written consent of the other parties hereto, prior to the Closing Time, each of the parties shall do or refrain from doing all acts and things in order to ensure that the respective representations and warranties of such party in Article 4 remain true and correct in all material respects (or, in the case of representations and warranties that are subject to a materiality qualification, true and correct in all respects) at the Closing Time as if such representations and warranties were made at and as of the Closing Time and to use its commercially reasonable efforts to satisfy, or cause to be satisfied, the conditions in Article 6 which are within such party's control.

#### 7.2 **Access to Information**

Until the Closing Time, Auersoft shall give to VVT and its accountants, legal advisers and representatives during normal business hours full access to its premises, all the Purchased Assets, and the books and records relating thereto and, with the prior approval of Auersoft, to Auersoft's personnel, and shall furnish them with all such information relating to the Business and the Purchased Assets as VVT may reasonably request. No investigation made by VVT or its representatives shall affect VVT's right to rely on any representation or warranty made by Auersoft in this Agreement or in any document contemplated by this Agreement or derogate from the acknowledgement by Auersoft of such reliance in Article 4.

### **7.3 Conduct of Business Until Closing Time**

7.3.1 Except as expressly provided in this Agreement or except with the prior written consent of VVT, prior to the Closing Time Auersoft shall to use its commercially reasonable efforts to:

7.3.1.1 operate the Business only in the Ordinary Course, consistent with past practice, and, to the extent consistent with such operation, use reasonable efforts to preserve its business organization, including the services of its officers and employees, and its business relationships with customers, suppliers and others having business dealings with it;

7.3.1.2 maintain the Purchased Assets in good condition and repair and, subject to Section 7.5, maintain insurance upon the Purchased Assets comparable in amount, scope and coverage to that in effect on the date of this Agreement;

7.3.1.3 maintain its books, records and accounts in the Ordinary Course on a basis consistent with past practice.

7.3.2 Prior to Closing, Auersoft shall use its commercially reasonable efforts to continue to operate, manage and maintain the Purchased Assets in the Ordinary Course.

### **7.4 Negative Covenants**

7.4.1 Except as expressly provided in this Agreement or except with the prior written consent of VVT, prior to the Closing Time Auersoft shall not:

7.4.1.1 amend its articles, by-laws, constating documents or other organizational documents;

7.4.1.2 amalgamate, merge or consolidate with, or acquire all or substantially all the shares or assets of, any Person;

7.4.1.3 transfer, lease, license, sell or otherwise dispose of any of the Purchased Assets, other than inventory and prepaid expenses in the Ordinary Course of the Business, consistent with past practice; or

7.4.1.4 do any act or thing of the kind described in Section 4.1.7 or enter into, terminate, materially amend, or waive any material provision of, any contract, agreement or commitment of the kind described in Section 4.1.11.

### **7.5 Insurance**

Until the Closing Time, Auersoft shall maintain in full force all policies and contracts of insurance which are now in effect (or renewals thereof) and under which it or any of the Purchased Assets are insured. Auersoft shall, at the request and expense of VVT, promptly place such additional insurance on the Purchased Assets and/or promptly place such additional insurance as VVT may request.

### **7.6 Obtaining of Required Consents**

Auersoft shall use commercially reasonable efforts to deliver, at or prior to the Closing Time, the Required Consents, and Auersoft shall use commercially reasonable efforts to assist VVT in transferring all Auersoft Permits or having the same issued to VVT. If, notwithstanding such efforts, Auersoft is

unable to obtain any of such Required Consents, Auersoft shall not be liable to VVT for any breach of covenant, provided that nothing contained herein shall affect any condition precedent to the obligations of VVT to complete the transactions contemplated hereby referred to in Section 6.1. If VVT completes the transactions contemplated hereby on the Date of Closing notwithstanding that any of the Required Consents have not been obtained, Auersoft shall continue after the Closing to use commercially reasonable efforts as requested by VVT from time to time in order to attempt to obtain any such Required Consents.

#### **7.7 Filings**

Each of the parties, as promptly as practicable either before or after the execution of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to complete the transactions contemplated in this Agreement (including elections under the Tax Act, the *Income Tax Act* (Canada), the HST legislation and provincial sales tax legislation, if applicable), and (ii) use its commercially reasonable efforts to take, or cause to be taken, all other actions necessary in order for it to fulfill its obligations under this Agreement. Each of the parties will co-ordinate and co-operate with one another in exchanging such information and supplying such assistance as may be reasonably requested by any of them in connection with the foregoing, including providing copies of all notices and information supplied to or filed with any Governmental Body and all copies of notices and correspondence received from any Governmental Body.

#### **7.8 Delivery of Title**

Auersoft shall, as soon as possible after the execution of this Agreement, deliver to VVT's Counsel transfer registrations relating to ownership in the Intellectual Property to the extent that the same are in the possession or control of Auersoft.

#### **7.9 Access for Government Inspections**

Subject to the rights of any occupants of any property comprising part of the Purchased Assets, VVT shall be entitled, at VVT's expense, to cause a full inspection of the Purchased Assets to be made by municipal, provincial, federal authorities and such other appropriate authorities as VVT or VVT's Counsel may consider necessary or advisable at any time and from time to time prior to Closing in order to ensure that such properties comply with all applicable statutes, by-laws and regulations and otherwise assess liabilities associated with such properties. Auersoft shall provide any consents or authorizations (written or otherwise) necessary or desirable to enable VVT or VVT's Counsel to carry out such investigations as they may consider necessary or advisable, as soon as reasonably practicable after request by VVT therefor.

#### **7.10 Transfer of the Purchased Assets and Securities**

Auersoft shall take all necessary steps and proceedings to cause good title to the Purchased Assets to be duly and validly transferred and assigned to VVT at the Closing, free and clear of all Liens other than Permitted Encumbrances.

#### **7.11 Co-operation and Further Assurances**

The parties shall co-operate fully in good faith with each other and their respective legal advisors, accountants and other representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement. From time to time after the Date of Closing, each party shall, at the request of any other party, execute and deliver such additional conveyances, transfers and

other assurances as may be reasonably required to effectively complete the transactions contemplated herein and to carry out the intent of this Agreement.

#### **7.12 Purchased Assets and Auersoft Permits in Trust**

In respect of any Scheduled Contract, Auersoft Permit, Intellectual Property or other Purchased Asset that, at the Date of Closing, will not have been formally transferred or reissued to VVT for any reason whatsoever, Auersoft will hold such Scheduled Contract, Auersoft Permit, Intellectual Property or other Purchased Asset in trust for the benefit of VVT and will take any and all action with respect thereto as VVT may reasonably direct for VVT's account and benefit.

### **ARTICLE 8 INDEMNIFICATION**

#### **8.1 Indemnification by Auersoft**

Auersoft shall indemnify and save VVT hereto harmless for and from:

8.1.1 all losses, costs and damages suffered by VVT as a result of any breach of representation, warranty or covenant on the part of Auersoft contained in this Agreement or in any certificate, document or instrument delivered to VVT hereunder;

8.1.2 all losses, costs and damages suffered by VVT as a result of the failure of Auersoft to perform any of its obligations relating to or in respect of the Business not assumed by VVT pursuant to this Agreement, or arising under contracts or other agreements assumed by VVT pursuant to this Agreement but relating to or arising out of action or inaction of Auersoft and relating to events which occurred prior to the Date of Closing;

8.1.3 all losses, costs and damages suffered by VVT as a result of Excluded Liabilities;

8.1.4 all losses, costs and damages suffered by VVT arising from any claim by or on behalf of any employee of Auersoft in the Business who is not required to be offered employment by VVT pursuant to Section 5.1 or who does not accept VVT's offer of employment; and

8.1.5 all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

#### **8.2 Indemnification by VVT**

VVT shall indemnify and save Auersoft harmless for and from:

8.2.1 all losses, costs and damages suffered by Auersoft as a result of any breach of representation, warranty or covenant on the part of VVT contained in this Agreement or in any certificate, document or instrument delivered to Auersoft hereunder;

8.2.2 all losses, costs and damages suffered by Auersoft as a result of the failure of VVT to perform any of its obligations relating to or in respect of the Assumed Liabilities after the Date of Closing;

8.2.3 all Governmental Charges, other than those Governmental Charges payable by Auersoft in the United States with respect to Auersoft's gain on the sale of its assets, charged to Auersoft

as a result of the transactions contemplated by this Agreement and the Stock Purchase Agreement; and

8.2.4 all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

### 8.3 Notice of Claim

If any party hereto wishes to make a claim for indemnification (a “**Claim**”) pursuant to this Article 8 (such party herein called the “**Indemnified Party**”) against any other party (the party or parties against whom the claim is made herein called the “**Indemnifying Parties**”), the Indemnified Party shall promptly give written notice to the Indemnifying Parties of the Claim. Such notice shall specify whether the Claim originates with the Indemnified Party (an “**Original Claim**”) or with a Person other than the Indemnified Party (a “**Third Party Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

8.3.1 the factual basis for the Claim; and

8.3.2 the amount of the Claim, or, if an amount is not then determinable, an approximate and reasonable estimate of the potential amount of the Claim.

In the case where the notice referred to above is sent to Auersoft, upon receipt of such notice Auersoft shall, within five Business Days of the receipt by Auersoft of such notice, appoint a representative who will represent Auersoft and whose decisions shall be final and binding upon Auersoft. All steps and proceedings to be taken under this Article 8 by Auersoft prior to any submission to the dispute resolution procedure under Article 11 shall be taken on its behalf by such representative and VVT shall be entitled to deal only with such representative and to assume that such representative has such authority as is required to bind Auersoft.

### 8.4 Procedure for Indemnification

8.4.1 **Original Claims.** Following receipt of notice of an Original Claim from an Indemnified Party, the Indemnifying Parties shall have 30 days to make such investigation of the Original Claim as the Indemnifying Parties consider necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Parties the information relied upon by the Indemnified Party to substantiate the Original Claim. If the Indemnified Party and the Indemnifying Parties agree at or prior to the expiration of such 30-day period (or any mutually agreed upon extension thereof) to the validity and amount of the Original Claim, the Indemnifying Parties shall immediately pay to the Indemnified Party the full agreed upon amount of the Original Claim. If the Indemnified Party and the Indemnifying Parties do not agree within such period (or any mutually agreed upon extension thereof), the Indemnifying Parties and the Indemnified Party agree that the dispute shall be submitted to the dispute resolution procedure under Article 11.

#### 8.4.2 Third Party Claims.

8.4.2.1 With respect to any Third Party Claim, the Indemnifying Parties shall have the right, at their own expense, to participate in or assume control of the negotiation, settlement or defence of the Third Party Claim and, in such event, the Indemnifying Parties shall reimburse the Indemnified Party for all of the Indemnified Party’s out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Parties elect to assume such control, the Indemnified Party shall co-operate with the Indemnifying Parties, shall have the right to participate in the negotiation,



settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Parties and the Indemnified Party shall be retained by the Indemnifying Parties.

8.4.2.2 If the Indemnifying Parties, having elected to assume control as contemplated in Section 8.4.2.1 thereafter fail to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Parties shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

8.4.2.3 Notwithstanding Sections 8.4.2.1 and 8.4.2.2, an Indemnified Party shall have the right to employ separate counsel in any Third Party Claim and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless: (i) the employment of such counsel has been authorized by the Indemnifying Parties; or (ii) the named parties to any such Third Party Claim include both the Indemnified Party and the Indemnifying Parties and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to the Indemnified Party which are different from or in addition to those available to the Indemnifying Parties (in each of which cases the Indemnifying Parties shall not have the right to assume the defence of such suit on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnified Party).

## **8.5 Additional Rules and Procedures**

The obligation of the parties to indemnify each other pursuant to this Article shall also be subject to the following:

8.5.1 The total amount payable by Auersoft under this Agreement will not exceed, in aggregate, One Million U.S. Dollars (\$1,000,000).

8.5.2 Until the Note and Convertible Note are repaid, any amount to which VVT is entitled pursuant to this Article 8 shall be deducted from the amount due under the Note and Convertible Note.

8.5.3 Except in the circumstance contemplated by Section 8.4.2.2 and whether or not the Indemnifying Parties assume control of the negotiation, settlement or defence of any Third Party Claim, an Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Parties (which consent shall not be unreasonably withheld).

8.5.4 An Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Parties notice thereof and an opportunity to contest such Third Party Claim.

8.5.5 Each Indemnified Party and Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available) and shall each designate a senior officer who will keep himself informed about and be prepared to discuss the Third Party Claim with his counterparts and with counsel at all reasonable times.

8.5.6 No admission of liability in, or settlement of, any Third Party Claim shall be made by any Indemnifying Party or Indemnified Party without, in each case, the prior written consent of all the Indemnifying Parties and Indemnified Parties, such consent not to be unreasonably withheld.

## **8.6 Indemnification Claims**

The parties agree that Article 8 sets out the sole and exclusive manner by which VVT or Auersoft may seek monetary compensation or other relief from each other for any matter arising in connection with this Agreement and the transactions contemplated hereby, including for any matter in respect of which VVT or Auersoft may make a claim under sections 8.1 and 8.2, respectively, including, for greater certainty, any matter that could be made a claim under any of those sections but for Section 8.5.1, regardless of the theory of liability, including in contract or tort.

## **ARTICLE 9**

### **TERMINATION**

#### **9.1 Survival of Obligations on Termination**

Upon termination of this Agreement pursuant to this Article 9, each of the parties will be released from all obligations hereunder, save and except for the obligations under Sections 4.3, 12.3, 12.4, 12.5, Article 8 and Article 11 which shall survive.

#### **9.2 Termination by Mutual Consent**

This Agreement, by notice in writing given by any party to each of the other parties, may be terminated by mutual consent of all the parties prior to or on the Date of Closing.

**9.3 Termination on or after January 31, 2012.** The latest Date of the Closing is January 31, 2012. This Agreement, by notice in writing given by any party to each of the other parties, may be terminated by any party if the Closing has not occurred on or before January 31, 2012.

#### **9.3 Conditions for the Benefit of VVT Not Met**

If any of the conditions contained in Section 6.1 shall not be fulfilled or performed at or prior to the Closing Time to the satisfaction of VVT, acting reasonably, VVT may, by notice to Auersoft, terminate this Agreement, subject to Section 9.1, and the obligations of each party under this Agreement, except where failure to satisfy those conditions is as a result of a breach by one of those parties to this Agreement, in which case the breaching party may not exercise the foregoing right to terminate. VVT may also promptly submit a claim against Auersoft for damages suffered by VVT where the non-performance or non-fulfillment of a condition is as a result of a breach of covenant, representation or warranty by Auersoft, to be resolved in accordance with Article 11. Any condition may be waived in whole or in part by VVT without prejudice to any claims it may have for breach of covenant, representation or warranty.

#### **9.4 Conditions for the Benefit of Auersoft Not Met**

If any of the conditions contained in Sections 6.2 shall not be fulfilled or performed at or prior to the Closing Time to the satisfaction of Auersoft, acting reasonably, Auersoft may, by notice to VVT, terminate this Agreement and, subject to Section 9.1, the obligations of each party under this Agreement, except where failure to satisfy those conditions is as a result of a breach by one of those parties to this



Agreement, in which case the breaching party may not exercise the foregoing right to terminate. Auersoft may also promptly submit a claim against VVT for damages suffered by Auersoft where the non-performance or non-fulfillment of a condition is as a result of a breach of covenant, representation or warranty by VVT, to be resolved in accordance with Article 11. Any condition may be waived in whole or in part by Auersoft without prejudice to any claims it may have for breach of covenant, representation or warranty.

#### **9.5 VVT's Right to Terminate Prior to Closing**

If, at any time prior to the Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by Auersoft in this Agreement is not, in the case of a representation and warranty true and correct in all material respects (or, in the case of representations and warranties that are subject to a materiality qualification, true and correct in all respects) with the same force and effect as if given at and as of such time (whether or not the truth and correctness of such representations and warranties are within Auersoft's control), and, in the case of a covenant, is not being complied with or fulfilled and if such representation and warranty or covenant is not made materially true and correct or complied with or fulfilled by action of Auersoft within ten (10) Business Days of Auersoft receiving notice to that effect from VVT, VVT may, at the expiry of such period, by giving notice to Auersoft, terminate this Agreement and, subject to Section 9.1, the obligations of Auersoft and VVT hereunder. VVT may also promptly submit a claim against Auersoft for damages suffered by VVT, to be resolved in accordance with Article 11 if the damages arise as a result of a breach of this Agreement by Auersoft.

#### **9.6 Auersoft's Right to Terminate Prior to Closing**

If, at any time prior to the Closing, any representation and warranty, or covenant (which by its terms must be complied with or fulfilled at such time), made or given by VVT in this Agreement is not, in the case of a representation and warranty true and correct in all material respects (or, in the case of representations and warranties that are subject to a materiality qualification, true and correct in all respects) with the same force and effect as if given at and as of such time (whether or not the truth and correctness of such representations and warranties are within VVT's control), and, in the case of a covenant, is not being complied with or fulfilled and if such representation and warranty or covenant is not made materially true and correct or complied with or fulfilled by action of VVT within ten (10) Business Days of VVT receiving notice to that effect from Auersoft, Auersoft may, at the expiry of such period, by giving notice to VVT, terminate this Agreement and, subject to Section 9.1, the obligations of Auersoft and VVT hereunder. Auersoft may also promptly submit a claim against VVT for damages suffered by Auersoft, to be resolved in accordance with Article 11 if the damages arise as a result of a breach of this Agreement by VVT.

### **ARTICLE 10**

#### **CLOSING**

##### **10.1 Location and Time of the Closings**

10.1.1 The Closing shall take place at the Closing Time on the Date of Closing at the offices of Buttonwood Law Corporation in Vancouver, British Columbia, or at such other place, on such other date and at such other time as may be agreed upon in writing by the parties.

##### **10.2 Deliveries at the Closing**

Subject to satisfaction or waiver by the relevant parties of the conditions of Closing, at the Closing Time,

10.2.1 Auersoft shall deliver to VVT all documents of title, registrations, conveyances, bills of sale, transfers, assignments, indentures, instruments and consents (including evidence of all Required Consents) and any other documents necessary or desirable to effect the assignment, transfer and sale of the Purchased Assets to VVT and such other documents as are required or contemplated to be delivered by Auersoft or Auersoft's Counsel pursuant to this Agreement;

10.2.2 Auersoft shall deliver actual possession of the Purchased Assets to VVT at the Closing Time; and

10.2.3 VVT shall pay the Purchase Price in accordance with this Agreement and shall deliver to Auersoft such other documents as are required or contemplated to be delivered by VVT or VVT's Counsel pursuant to this Agreement.

## **ARTICLE 11**

### **DISPUTES**

#### **11.1 Settlement of Disputes**

In the event any balance sheet dispute, dispute, claim, question or difference (a "**Dispute**") arises out of or with respect to this Agreement or its performance, enforcement, breach, termination or validity, the parties shall use their commercially reasonable efforts to settle the Dispute. To this end, they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to all parties.

#### **11.2 Dispute Resolution**

Except as is expressly provided in this Agreement, if the parties do not reach a resolution pursuant to Section 11.1 within a period of thirty (30) Business Days following the first notice of the Dispute by any party to the others, then the Dispute shall be finally settled in the appropriate state or federal court in the State of Arizona.

## **ARTICLE 12**

### **GENERAL MATTERS**

#### **12.1 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

## 12.2 Risk of Loss

Up to the Closing Time, the Purchased Assets shall be and remain at the risk of Auersoft. If, prior to the Closing Time, all or any material part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be expropriated, VVT shall have the option, exercisable by notice in writing given within five Business Days of VVT receiving notice in writing from Auersoft of such destruction, damage or expropriation:

12.2.1 to reduce the Purchase Price by an amount equal to the cost of repair, or, if destroyed or damaged beyond repair or expropriated, by an amount equal to the replacement cost of the assets forming part of the Purchased Assets so destroyed, damaged or expropriated and to complete the purchase;

12.2.2 to complete the purchase without reduction of the Purchase Price in which event all proceeds of insurance or compensation for expropriation shall be payable to VVT and all right and claim of Auersoft to any such amounts not paid by the Closing Time shall be assigned by Auersoft to VVT; or

12.2.3 of terminating this Agreement and not completing the purchase, in which case all obligations of VVT and Auersoft hereunder, other than those pursuant to Sections 4.3, 12.3, 12.4 and 12.5, Article 8 and Article 11 which shall survive, shall terminate.

If VVT elects to reduce the Purchase Price pursuant to Section 12.2.1, the Date of Closing payment shall be reduced by an equal amount, which reduction shall first be applied to the Note.

## 12.3 Confidentiality

12.3.1 If the transaction contemplated by this Agreement is not completed, VVT shall not, except as contemplated below, directly or indirectly, use for its own purposes or communicate to any other Person any confidential information or data relating to Auersoft or to the Business (collectively, "**Confidential Information**") which become known to VVT, its accountants, legal advisers or representatives as a result of Auersoft making the same available in connection with the transaction contemplated hereby. The foregoing shall not prevent Auersoft from disclosing or making available to its accountants, professional advisers and bankers or other lenders, whether current or prospective, any such information or data.

12.3.2 After Closing, Auersoft will keep confidential all Confidential Information unless:

12.3.2.1 Such information is or becomes generally available to the public other than as a result of a disclosure by Auersoft in violation of this Agreement; or

12.3.2.2 Disclosure is required by Law, provided that Auersoft will promptly notify VVT thereof, consult with VVT and co-operate with VVT in any attempt by VVT (in its discretion) to resist or narrow such disclosure or to obtain an order or other assurance that such Confidential Information will be accorded confidential treatment.

12.3.3 After Closing, Auersoft will not use or otherwise exploit, in whole or in part, directly or indirectly, any of the Confidential Information without the prior written consent of VVT, which consent may be withheld for any reason by VVT.

12.3.4 The parties and their respective accountants, lawyers and other authorized representatives shall collect, use and disclose personal information obtained in connection with this Agreement

only as necessary or desirable for the purposes of the transactions contemplated hereby and they shall properly safeguard such personal information to protect against loss or theft, as well as unauthorized disclosure, copying use or alteration and they shall appropriately dispose of such personal information when it is no longer required.

#### **12.4 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by a party without the prior written consent of the others (such consent not to be unreasonably withheld).

#### **12.5 Expenses**

Except as provided below or as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and accountants) incurred in connection with this Agreement and the transactions contemplated herein and therein, shall be paid by the party incurring such costs.

#### **12.6 Successors and Assigns**

This Agreement will be binding upon and enure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

#### **12.7 Assignment**

This Agreement may not be assigned by any party hereto without the prior written consent of each of the other parties.

#### **12.8 Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this Section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this Section. Notices and other communications shall be addressed as follows:

- (a) if to Auersoft:

1050 West Birchwood Avenue  
Mesa, Arizona 85210

Attention: Brent Bollong  
Telecopier No.: (480) 964-4237

with a copy to Auersoft's Counsel at:

60 E. Rio Salado Parkway  
Suite 900  
Tempe,, Arizona 85281

Attention: Shelley Detwiller DiGiacomo  
Telecopier No.: (480) 323-2428

(b) if to VVT:

Suite 550-15300 North 90<sup>th</sup> Street  
Scottsdale, Arizona 85216

Attention: Van Potter

with a copy to VVT's Counsel at:

Suite 501, 535 Thurlow Street  
Vancouver, BC V6E 3L2

Attention: Mouane Sengsavang  
Telecopier No.: (604) 248-5171

Notwithstanding the foregoing, any notice or other communication required or permitted to be given by any party pursuant to or in connection with any procedures with respect to a Dispute contained herein or in any Schedule hereto may only be delivered by hand.

The failure to send or deliver a copy of a notice to VVT's Counsel or Auersoft's Counsel, as the case may be, shall not invalidate any notice given under this Section.

## **12.9 Non-Merger**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on, and shall survive, the Closing and, notwithstanding the Closing taking place and any investigation made by or on behalf of any party, shall continue in full force and effect. Closing shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

## **12.10 Governing Law and Attornment**

12.10.1 This Agreement shall be governed by, and construed in accordance with, the laws of the state of Arizona and the federal laws of the United States applicable therein.

12.10.2 Subject to the provisions of Article 11, each of the parties irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the State of Arizona.

## **12.11 Time of Essence**

Time is of the essence of this Agreement.

### **12.12 Entire Agreement**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. There are no warranties, conditions, or representations (including any that may be implied by statute), and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement or as otherwise set out in writing and delivered at Closing. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by any party hereto or its directors, officers, employees or agents, to any other party hereto or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent aforesaid.

### **12.13 Counterparts**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

### **12.14 Further Assurances**

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

**[Signature Page to Follow]**

**IN WITNESS WHEREOF** the parties hereto have caused this Purchase and Sale Agreement to be duly executed as of the date first written above.

**VISUALVAULT TECHNOLOGIES INC.**

By:   
Name: Brian Cameron  
Title: Chief Financial Officer

**AUERSOFT LLC**

By:   
Name: Michael R. Lolli  
Title: Manager