

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
HARTFORD COMPUTER HARDWARE,)	Case No. 11-49744 (PSH)
INC., <i>et al.</i> , ¹)	(Joint Administration Pending)
)	
Debtors.)	Hon. Pamela S. Hollis

DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 105(A), 363, 365 AND FED. R. BANKR. P. 2002, 6004, 6006 FOR (I) ENTRY OF AN ORDER (A) APPROVING BIDDING PROCEDURES; (B) GRANTING CERTAIN BID PROTECTIONS; (C) APPROVING FORM AND MANNER OF SALE NOTICES; (D) SETTING SALE HEARING DATE IN CONNECTION WITH SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS; AND (II) ENTRY OF AN ORDER (A) APPROVING THE SALE OF DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS; (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (C) THE ASSUMPTION OF CERTAIN LIABILITIES; AND (D) GRANTING CERTAIN RELATED RELIEF

The above-captioned debtors and debtors-in-possession (the "Debtors") submit this motion (this "Motion") for entry of orders (i) (a) approving the bidding procedures attached to the Bidding Procedures Order (as defined herein) as **Exhibit 1** (the "Bidding Procedures"), (b) granting certain bid protections, (c) approving the form and manner of sale notices (the "Notice Procedures"), and (d) setting a date for the sale hearing (the "Sale Hearing") and (ii) authorizing and approving (a) the sale (the "Sale") of substantially all of the Debtors' assets (the "Acquired Assets") to Avnet, Inc. and Avnet International (Canada) Ltd. (together, the "Purchaser") in accordance with that certain Asset Purchase Agreement dated December 12, 2011, by and among the Debtors and the Purchaser (the "Agreement"), or the Successful Bidder (as defined below) submitting a higher or otherwise better bid, as the case may be, (b) the assumption and

¹ The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525) ("HCH"), Nexicore Services, LLC (FEIN 03-0489686) ("Nexicore"), Hartford Computer Group, Inc. (FEIN 36-2973523) ("HCG"), and Hartford Computer Government, Inc (FEIN 20-0845960) ("HCGovernment").



assignment of certain prepetition executory contracts and unexpired leases (the “Assumed Contracts”) to the Purchaser or the Successful Bidder (as defined below), as the case may be, (c) the assumption of certain liabilities (the “Assumed Liabilities”) by the Purchaser or the Successful Bidder (as defined below), as the case may be, and (d) granting certain related relief. In support of this motion, the Debtors submit the Declaration of Brian Mittman in Support of Chapter 11 Petitions and First Day Motions and Applications, sworn to on the date hereof (the “Declaration in Support of First Day Relief”), and respectfully represent as follows:

BACKGROUND

1. On the date hereof (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), together with various motions and applications seeking certain typical “first day” orders.

2. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. No request has been made for the appointment of a trustee or examiner, and no official committee(s) has been appointed in these cases.

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Debtors’ chapter 11 cases and this motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding under 28 U.S.C. § 157(b)(2).

5. The statutory bases for the relief requested herein are sections 105(a), 363, 365 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002, 6004, and 6006.

A. Background and Current Business Operations.

6. The Debtors are one of the leading providers of repair and installation services in North America for consumer electronics and computers. The Debtors operate in three

complementary business lines: parts distribution and repair, depot repair, and onsite repair and installation. Products serviced include laptop and desktop computers, commercial computer systems, flat-screen television, consumer gaming units, printers, interactive whiteboards, peripherals, servers, POS devices, and other electronic devices.

7. Effective as of May 9, 2005, the Debtors entered into that certain Master Restructuring Agreement (the “Restructuring Agreement”) with Delaware Street Capital Master Fund, L.P. (the “Prepetition Senior Lender”), MRR Venture LLC (“MRR”), ARG Investments (“ARG”), SKM Equity Fund II, L.P. (“SKM I”), and SKM Investment Fund II (“SKM II” and together with MRR, ARG and SKM I, the “Subordinated Lenders”), HCG Financial Services, Inc. (the “Financial PO Lender”), and Enable Systems, Inc. Pursuant to the Restructuring Agreement, the Debtors amended and restructured their agreements with their various stakeholders. Specifically, after the execution and effectiveness of the Restructuring Agreement, the Debtors’ long-term, secured debt was as follows: (a) pursuant to that certain Amended and Restated Loan and Security Agreement dated as of December 17, 2004 among the Debtors and the Prepetition Senior Lender and various promissory notes and other documents (collectively, as may have been amended, supplemented, and modified, the “Senior Credit Agreement”), the Debtors are indebted to the Prepetition Senior Lender, as of the Petition Date, the aggregate amount of \$67,755,718; (b) pursuant to that certain Substituted and Amended Subordinated Promissory Note dated May 9, 2005, made by Hartford Computer Group, Inc. in favor of MRR Venture LLC (the “Prepetition Subordinated Lender”), Hartford Computer Group, Inc. was indebted to Prepetition Subordinated Lender in the amount of \$1,519,868; and (c) pursuant to that certain Revolving Credit Agreement by and between IBM Credit LLC (“IBM”), HCH and

HCGovernment, dated as of May 5, 2005 (the “IBM Credit Agreement”), HCH and HCGovernment were indebted to IBM in the amount of \$1,030,545.

8. Over the past 5 years, the Debtors implemented key turnaround initiatives under the Debtors’ CEO, Brian Mittman, focused on creating an efficient operation capable of delivering high-quality service. During that period, the companies total revenues have grown from \$55.1 million in 2006 to \$95.1 million and earnings have increased at an even larger degree. Given the Debtors’ recent performance, as well as its capital structure, the Debtors commenced an aggressive marketing and sales effort so as to take advantage of their improvements for the benefit of all their creditors.

B. The Debtors’ Marketing and Sales Efforts.

9. The Debtors, with the assistance of their advisors, actively marketed the company since late January 2011, focusing on a sale of substantially all of their assets as a going concern. Even before the Petition Date, the Debtors conducted a well-orchestrated sale process targeting the company’s universe of potential strategic and financial buyers in an effort to maximize the value of the Acquired Assets.

10. Prior to the commencement of the Chapter 11 Cases, the Debtors retained Paragon Capital Partners, LLC (“Paragon”) to act in an advisory capacity to explore strategic alternatives. As part of this evaluation, the Debtors and Paragon have aggressively pursued a potential sale of the Acquired Assets. The Debtors and Paragon undertook exhaustive efforts to solicit interest in the Debtors from third parties with the potential to acquire all or a substantial portion of the Acquired Assets.

11. At the outset of this process, the Debtors determined, in consultation with their advisors and the Prepetition Senior Lender, to focus its sale efforts on locating a stalking horse bidder for substantially all of their assets. The Debtors believe that their businesses and assets

have little value if liquidated separately, and that a sale process that includes a sale of substantially all of the Acquired Assets as a going concern will maximize value to the estates.

12. During the marketing process, the Debtors and Paragon identified and contacted approximately ninety-one potential strategic and financial counterparties. Approximately thirty-two of these parties executed confidentiality agreements and received a confidential information memorandum providing extensive information relating to the Debtors' businesses, financial performance and projections, customers, programs, technology, information systems, operations, facilities, management and employees. Approximately eleven companies received a detailed management presentation, either in-person or by phone, and were given the opportunity to speak extensively with the Debtors and its advisors. Of these, eight companies were strategic buyers (including five public companies with a median market capitalization in excess of \$4 billion), and three counterparties were major private equity firms with relevant portfolio companies and significant funds under management. Six of these parties submitted written indications of interest to acquire all of the Acquired Assets of the Debtors as a going concern (the Acquired Assets exclude the Debtors' hardware business). Five of these parties attended in-person management presentations conducted by the Debtors senior management team, and conducted site visits with respect to the Acquired Assets. All of these parties were granted access to supplemental due diligence materials made available on an electronic data site (the "Data Site"). One of these parties, the Purchaser, submitted a preliminary proposal and subsequently submitted a definitive agreement. As of November 3, 2011, the Purchaser had a market capitalization of approximately \$4.6 billion. For its most recent fiscal year ending July 2, 2011, the Purchaser reported total sales of \$26.5 billion and had cash on its balance sheet of \$675 million.

13. The Purchaser's offer has been the basis for extensive discussions and negotiations with the Debtors, ongoing diligence and discussions with management, and visits to the Debtors' facilities. As a result, on December 12, 2011, the Debtors executed the Agreement with the Purchaser for the purchase of the Acquired Assets for the aggregate price of \$35,500,000 million, subject to certain adjustments described more fully below, plus the assumption of certain liabilities, including certain cure costs and post-petition administrative expenses.

14. At this juncture, the Purchaser's bid is the highest and best that the Debtors have received. Now that the Debtors have concluded negotiations with the Purchaser as the stalking horse bidder (subject to approval by this Court), the Debtors have begun to (and plan to continue to) focus their attention, time, and energy on bidders with continuing interest in the Debtors' assets in order to pursue the possibility that value may be maximized at an Auction (as defined below).

15. The Debtors expect that the purchase price for the Acquired Assets will be insufficient to satisfy in full all of the Debtors' obligations under the Senior Credit Agreement owing to the Senior Prepetition Lender. As a result, the Debtors anticipate that they will remit all such proceeds directly to the Senior Prepetition Lender in partial satisfaction of its secured claim against the Debtors. The Debtors also understand and have been made aware that the Senior Prepetition Lender has made certain agreements with certain officers of the Debtors, pursuant to which the Senior Prepetition Lender will pay incentive awards to such officers from the Senior Prepetition Lender's collateral proceeds upon the closing of the Sale. The Debtors understand and believe that between 12% and 21% of the Sale proceeds that constitute the Senior Prepetition Lender's collateral will be paid to the Debtors' officers as incentive awards. The

Debtors have not agreed to fund any incentive awards to their management, and only Prepetition Lender's collateral proceeds will be used in connection therewith.

16. Because of various factors, including the requirements for the Debtors' maintenance of its debtor-in-possession financing, and the Purchaser's desire not to unnecessarily tie up capital or risk of losing other business opportunities, the Debtors have proposed to move forward with the Sale process on an expedited basis and within a specified time frame. Consequently, the Debtors have determined that it is in the best interest of their estates, creditors, and other parties in interest to move forward with the Sale process set forth herein.

17. Accordingly, the Debtors have proposed the following timeline for the Sale of the Acquired Assets:²

- January 3, 2012 – Bidding Procedures Hearing
- February 13, 2012 – Submission Deadline for Qualified Bids (as defined below)
- February 16, 2012 – Auction (as defined below)
- February 17, 2012 – Proposed Sale Hearing

C. The Agreement.

18. A summary of the principal terms of the Agreement, set forth in full in the Agreement,³ is as follows:⁴

² The Debtors, in the exercise of their business judgment, reserve their right to change these sale-related dates in order to achieve the maximum value for the Acquired Assets, while cognizant of the deadlines set forth in the Agreement.

³ All defined terms used herein but not otherwise defined shall have the meaning set forth in the Agreement.

⁴ The following summary is qualified in its entirety by reference to the provisions of the Agreement. In the event of any inconsistencies between the provisions of the Agreement and the terms herein, the terms of the Agreement shall govern. Unless otherwise defined in the summary set forth in the accompanying text, capitalized terms shall have the meanings assigned to such terms in the Agreement.

- Consideration. The purchase price due and payable at closing is \$35.5 million in cash (the “Initial Cash Payment”). HCG and Nexicore may also be entitled to certain earnout consideration based on the Operating Income of the Business in calendar years 2012 and 2013 calculated as follows:
 - For calendar year 2012, HCG and Nexicore shall be entitled to an amount equal to 6 multiplied by the Operating Income for 2012 less (i) the Initial Cash Payment (ii) the US Working Capital Offset, if any, (iii) the Canadian Working Capital Offset, if any, (iv) minus the Indemnification Offset, if any, and (v) any incremental amount above \$150,000, but not to exceed \$350,000 in the aggregate, for calendar year 2012 for allocations for services provided by the Buyers or their Affiliates to the Business or finance, legal, compliance, accounting or tax services provided by the Buyers or their Affiliates to the Business in order for the Business to comply with Applicable Law or policies of the Buyers (the “2012 Earnout Amount”); and
 - For calendar year 2013, HCG and Nexicore shall be entitled to an amount equal to 5 multiplied by the Operating Income for calendar year 2013 less (i) the Initial Cash Payment, (ii) the 2012 Earnout Amount; (iii) the US Working Capital Offset (to the extent not already deducted from the 2012 Earnout Amount), if any, (iv) the Canadian Working Capital Offset (to the extent not already deducted from the 2012 Earnout Amount), if any; (v) the Indemnification Offset (to the extent not already deducted from the 2012 Earnout Amount), if any; and (vi) any incremental amount above \$150,000, but not to exceed \$350,000 in the aggregate, for calendar year 2013 for allocations for services provided by the Buyers or their Affiliates to the Business or finance, legal, compliance, accounting or tax services provided by the Buyers or their Affiliates to the Business in order for the Business to comply with Applicable Law or policies of the Buyers.(the “2013 Earnout Amount”).

The 2012 Earnout Amount shall not exceed an amount equal to (i) \$49 million less (ii) the Initial Cash Payment as adjusted by (a) the Final Closing US Working Capital Adjustment and (b) the Final Closing Canadian Working Capital Adjustment.

The 2013 Earnout Amount shall not exceed an amount equal to (i) \$55 million less (ii) the Initial Cash Payment as adjusted by (a) the Final Closing US Working Capital Adjustment and (b) the Final Closing Canadian working Capital Adjustment.

The “Purchase Price” is an amount equal to the Initial Cash Payment (a) plus or minus, as applicable, (i) the Final Closing US Working Capital Adjustment and (ii) Final Closing Canadian Working Capital Adjustment, and (b) plus (i) the 2012 Earnout Amount, if any, (ii) the 2013 Earnout Amount, if any, and (ii) the value attributed to the Assumed Liabilities.

- Adjustments to Consideration. The Agreement contemplates a working capital adjustment for both the US and Canadian components of the business.

If the Closing US Working Capital is greater than the Estimated Closing US Working Capital, then the US Buyer shall pay HCG and Nexicore the amount of such difference. If the Closing US Working Capital is less than the Estimated Closing US Working Capital, then HCG and Nexicore shall pay the US Buyer the amount of such difference, either in immediately available cash or as a setoff to the 2012 Earnout Amount or 2013 Earnout Amount. Any amounts paid pursuant to this paragraph are referred to as the “Final Closing US Working Capital Adjustment”.

If the Closing Canadian Working Capital is greater than the Estimated Closing Canadian Working Capital, then the Canadian Buyer shall pay HCG the amount of such difference. If the Closing Canadian Working Capital is less than the Estimated Closing Canadian Working Capital, then HCG shall pay the Canadian Buyer the amount of such difference, either in immediately available cash or as a setoff to the 2012 Earnout Amount or 2013 Earnout Amount. Any amounts paid pursuant to this paragraph are referred to as the “Final Closing Canadian Working Capital Adjustment”.

- Payment of cure costs and certain Administrative Expenses. The Purchaser agrees to assume certain liabilities of the Debtors, including, among other things, amounts required to pay all cure costs and certain other administrative expense claims.
- Acquired Assets. Substantially all of the assets of HCG and Nexicore.
- Representations and Warranties. Representations and warranties survive until the 2013 Earnout Amount, if any, has been calculated and paid to HCG.
- Operations Pending Closing. Until the closing, the Debtors are subject to covenants limiting their operating flexibility in certain respects and are generally required to carry on their business in the ordinary course, taking into account their status as debtors-in-possession.
- Termination to Pursue Higher or Better Offer. The Debtors may, upon paying the Purchaser a \$1,775,000 break-up fee, which will have administrative expense status, terminate the Agreement to consummate a competing sale transaction.

RELIEF REQUESTED

19. The Debtors have determined that a prompt Sale of the Acquired Assets is the best way to maximize the value of the Acquired Assets for their respective estates and creditors.

20. Accordingly, by this Motion, the Debtors seek approval for the sale of the Acquired Assets to the Purchaser, subject to additional competitive bidding pursuant to the proposed Bidding Procedures. To effect the Sale, the Debtors seek two types of relief. First, at a hearing to be held on January 3, 2012, the Debtors will seek entry of an order substantially in the form attached hereto as **Exhibit A** (the “Bidding Procedures Order”) approving the Bidding Procedures, Notice Procedures, and certain bid protections to be provided to the Purchaser pursuant to the Agreement, which is attached hereto as **Exhibit B**, and as described more fully herein. Second, subject to the terms of the Bidding Procedures Order, at a proposed hearing to be held on February 17, 2012, the Debtors will seek entry of an order substantially in the form attached hereto (the “Sale Approval Order”) authorizing and approving the transactions contemplated by the Agreement and the sale of the Acquired Assets to the Purchaser or the Successful Bidder (as defined below), as the case may be, including, without limitation, the assumption and assignment of the Assumed Contracts to the Purchaser. The Debtors intend to file a notice to reject their pre-petition contracts and unexpired leases not assumed by the Purchaser (the “Rejected Contracts”) following the closing of the Sale.

BASIS FOR RELIEF

21. In furtherance of the Debtors’ duty to maximize the value of their estates, the Debtors have filed this Motion seeking approval of a sale process, including the Bidding Procedures.

22. As set forth above, the Debtors have taken great strides to improve their businesses and make themselves attractive for sale. The Debtors have run a full and exhaustive marketing process prepetition and believe that a sale to the Purchaser or the Successful Bidder (as defined below), and the approval of the Bidding Procedures, are in the best interests of the estates.

A. The Bidding Procedures.⁵

23. In order to maximize the value of the Acquired Assets for the benefit of the Debtors' estates and their respective creditors, the Debtors seek to implement a competitive bidding process that is designed to generate maximum recovery, as described more fully in the Bidding Procedures.

24. The following summarizes the Bidding Procedures:⁶

- **Solicitation of Competing Bids.** The Debtors, through their officers, agents, and professionals, may solicit, negotiate, and otherwise discuss with any entity the submission of a competing bid for the Acquired Assets (a "Competing Bid" by a "Competing Bidder") or any similar transaction involving the assets to be sold and the contracts to be assumed and assigned to the Purchaser hereunder, but:
 - (i) The Debtors must provide to the Purchaser a complete copy of any Qualified Bid (defined below) received (redacting only any confidential information contained in it) within two business days of receiving it; and
 - (ii) Any Competing Bid must conform to the requirements for a Qualified Bid set forth below.
- **Submission of Competing Bids.** All Competing Bids must be submitted on or before 5:00 p.m. prevailing Chicago time on or before February 13, 2012, to: (i) Hartford Computer Group, Inc., c/o Paragon Capital Partners, LLC, 450 Park Avenue, Suite 2500, New York, New York 10022 (Attn: Michael Levy), mlevy@paragoncp.com, (ii) counsel to the Debtors, Katten Muchin Rosenman LLP, 525 W. Monroe Street, Suite 1900, Chicago, Illinois 60662 (Attn: John P. Sieger) john.sieger@kattenlaw.com, (iii) counsel for Delaware Street Capital Master Fund, L.P., Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654 (Attn: Michael S. Terrien) mterrien@jenner.com, (iv) counsel for the official committee of unsecured creditors, if any, (v) counsel for the Purchaser, Squire Sanders & Dempsey (US) LLP, 1 E. Washington St., Suite 2700, Phoenix, Arizona 85004 (Attn: Jordan A. Kroop) jordan.kroop@ssd.com, and (vi) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn, Room 873, Chicago, Illinois 60604 (Attn: Denise DeLaurent).

⁵ Terms used but not otherwise defined in this section of this Motion shall have the meanings ascribed to them in the Bidding Procedures attached to the Bidding Procedures Order.

⁶ The following description of the Bidding Procedures is a summary only. To the extent that this summary differs in any way from terms set forth in the Bidding Procedures, the terms of the Bidding Procedures shall control.

- **Qualification of Competing Bids.** Only Competing Bids that meet all the following requirements are “Qualified Bids” eligible to be considered at the Auction (defined below):

(i) The Competing Bid must be in writing and include a markup of the Agreement showing the changes to the Agreement the Competing Bidder requires;

(ii) The Competing Bid must provide consideration in an amount no less than the total of the Cash Payment set forth in the Agreement plus the Break-Up Fee (defined below) of \$1,775,000, plus a minimum overbid increment of \$100,000 (collectively, a “Minimum Overbid”);

(iii) The Competing Bid must be accompanied by a good faith, refundable deposit of no less than 10% of the Purchase Price, plus additional indicia of ability to immediately close the transactions contemplated by the Competing Bid, including adequate assurance of future performance of any executory contract or unexpired lease that would be assumed and assigned to the Competing Bidder under the Competing Bid, with the Debtors reserving the right, in their sole reasonable discretion as informed by their professionals, to determine the sufficiency of such indicia;

(iv) The Competing Bid must be on terms more favorable and not more burdensome or conditional in any material respect than that contemplated by the Agreement in respect of, among other things, price, conditions on closing, third-party consents, and regulatory approvals, as determined by Debtors in their sole, reasonable discretion as informed by their professionals; and

(v) The Competing Bidder must submit to the Debtors, by the close of the Auction (defined below), an instrument of irrevocable commitment to the terms of the Competing Bid.

- **Auction.** One business day prior to the Sale Hearing, the Debtors will conduct a session of bidding (the “Auction”) among the Buyer and all Competing Bidders submitting a Qualified Bid (each a “Qualified Bidder”) to determine the highest and best bid for the Acquired Assets. The Buyer and all Qualified Bidders may increase their bids as many times as they wish during the Auction, with the Buyer receiving cash credit for the Break-Up Fee (as defined below) on all subsequent bids. All bids must exceed the previous bid by no less than \$100,000 in total compensation. At the close of all bidding, the Debtors will announce the highest and best bid and will retain a record of each Qualified Bidders’ final bid for purposes of the Court’s solicitation of and approval of any “backup bid” at the Sale Hearing, the holder of which would be entitled to close a purchase of the

Acquired Assets if the highest and best bid determined at the Auction does not close in accordance with the Sale Order.

B. Purchasers' Agreement And Bid Protection.

25. In order to provide an incentive and to compensate the Purchaser for entering into the Agreement and the extensive fees and costs incurred as serving as the stalking horse purchaser, the Debtors have agreed to a break-up fee in the amount of \$1,775,000 (the "Break-Up Fee"), which shall be used to reimburse the Purchaser for expenses incurred in connection with the Purchaser's attempted purchase of the Acquired Assets and for its willingness to serve as stalking horse bidder.

26. By this Motion, the Debtors are seeking approval to provide certain bid protections to the Purchaser in accordance with the Agreement. The Debtors believe that offering the Break-Up Fee to the Purchaser (the "Bid Protections") will benefit the Debtors' estates by establishing a floor and promoting more competitive bidding. Without such a fee, bidding on the Debtors' Acquired Assets would likely be reduced. The availability of the Bid Protections is necessary in order to provide the Purchaser with some assurance that it will be compensated for the time and expense it has spent in putting together its offer for the Acquired Assets and the risk that arises from participating in the Sale and subsequent bidding process as the stalking horse bidder.

C. Notice of the Bidding Procedures and the Sale.

27. Within five days after the entry of the Bidding Procedures Order (the "Mailing Date") or as soon thereafter as practicable, the Debtors (or their agents) shall serve the notice substantially in the form attached to the Bidding Procedures Order as Exhibit 2 (the "Sale Notice") along with the Motion, the Agreement, the proposed Sale Approval Order, the Bidding Procedures, and a copy of the Bidding Procedures Order by first-class mail, postage prepaid,

upon (i) all parties to the Assumed Contracts; (ii) all parties that have requested special notice in the Chapter 11 Cases; (iii) the Office of the United States Trustee for the Northern District of Illinois; (iv) counsel for any official committee of unsecured creditors appointed in the Chapter 11 Cases; (v) the Purchaser and its counsel; (vi) all entities known to have expressed an interest in a transaction with respect to any of the Acquired Assets as determined by Paragon, in consultation with the Debtors; (vii) those persons filing notices of appearance or requests for notice under Bankruptcy Rule 2002 in the Chapter 11 Cases; (viii) all taxing authorities having or asserting jurisdiction over the Debtors or any of the Acquired Assets; (ix) the counterparties to the Rejected Contracts; and (xiii) all parties asserting any liens on any of the Acquired Assets (the “Sale Notice Parties”). In addition, by the Mailing Date, the Debtors (or their agent) shall serve the Sale Notice only upon all parties identified as creditors set forth on Schedules D through H of each of the Debtors’ Schedules of Statements and Liabilities filed with this Court.

28. The Debtors also propose, pursuant to Bankruptcy Rule 2002(l), that the publication of the Sale Notice, modified for publication, in the national edition of the *Wall Street Journal*, on the Mailing Date or as soon as practicable thereafter, be deemed proper notice to any other interested parties whose identities are unknown to the Debtors.

D. Notice Procedures.

29. The Debtors propose the following procedures for notifying counterparties to executory contracts and unexpired leases of potential cure amounts in the event the Debtors decide to assume such contracts or leases.

30. No later than February 1, 2012, the Debtors shall file with the Court and serve on all non-Debtor parties to the Assumed Contracts a notice (the “Assumption and Cure Notice”), substantially in the form of the notice attached to the Bidding Procedures Order as **Exhibit 3**, identifying the Purchaser as the party which will be assigned all of the Debtors’ right, title, and

interest in the Assumed Contracts, subject to completion of the bidding process provided under the Bidding Procedures. The non-Debtor party to an Assumed Contract shall have seven days from the service of the Assumption and Cure Notice to object to the proposed assumption and assignment to the Purchaser and shall state in its objection, with specificity, the legal and factual basis of its objection. If no objection is timely received, the Debtors propose that the non-Debtor party to the Assumed Contract be barred from asserting any objection with regard to the assumption and assignment of the Assumed Contract to the Purchaser. In addition, the Assumption and Cure Notice shall state the cure amount that the Debtors believe is necessary to assume such contract or lease pursuant to section 365 of the Bankruptcy Code (the “Cure Amount”) and notify each party that such party’s contract or lease will be assumed and assigned to the Purchaser or a Successful Bidder to be identified at the conclusion of the Auction. Each non-Debtor party to the Assumed Contracts shall have seven days from the date of the Assumption and Cure Notice to object to the Cure Amount and must state in its objection with specificity what Cure Amount is required (with appropriate documentation in support thereof). If no objection is timely received, the Cure Amount set forth in the Assumption and Cure Notice shall be controlling, notwithstanding anything to the contrary in any Assumed Contract, or any other document, and the non-Debtor party to the Assumed Contract shall be deemed to have consented to the Cure Amount and shall be forever barred from asserting any other claims as to such Assumed Contract against the Debtors, the Purchaser, or the Successful Bidder, or the property of any of them. If an objection to the Cure Amount is timely filed and received and the parties are unable to consensually resolve the dispute, the amount to be paid under section 365 of the Bankruptcy Code, if any, with respect to such objection will be determined at a hearing to be requested by the Debtors or by the objecting counterparty. At the Purchaser’s or the Successful

Bidder's discretion, and provided the Purchaser or the Successful Bidder escrow the disputed portion of the Cure Amount, the hearing regarding the Cure Amount may be continued until after the closing date of the Sale and the Assumed Contract(s) subject to such Cure Amount shall be assumed and assigned to the Purchaser or the Successful Bidder at closing of the Sale.

31. At the Sale Hearing, the Debtors shall (i) present evidence necessary to demonstrate adequate assurance of future performance by any Successful Bidder and (ii) request entry of an order requesting approval of the assumption and assignment of any Assumed Contracts to any Successful Bidder.

32. As contemplated in the Agreement, the Debtors seek authority from this Court to terminate or reject the Rejected Contracts pursuant to section 365 of the Bankruptcy Code so that no rights of the licensees under such Rejected Contracts will be retained if the Purchaser is the Successful Bidder at the Auction. However, to the extent that the Purchaser is not the Successful Bidder for the Acquired Assets, the Debtors reserve the right to withdraw their request for such relief.

APPLICABLE AUTHORITY

33. “[T]he business judgment rule operates as a presumption ‘that directors making a business decision, not involving self-interest, act on an informed basis, in good faith and in the honest belief that their actions are in the corporation’s best interest.’” *Continuing Creditors’ Comm. of Star Telecomms., Inc. v. Edgecomb*, 385 F.Supp.2d 449, 462 (D. Del. 2004) (quoting *Grobow v. Perot*, 539 A.2d 180, 187 (Del. 1988)); *see also Ad Hoc Committee of Equity Holders of Tectonic Network, Inc. v. Wolford*, 554 F.Supp.2d 538, 555 n.111 (D. Del. 2008). Thus, this Court should grant the relief requested in this Motion if the Debtors demonstrate a sound business justification therefore. *See In re Delaware Hudson Ry. Co.*, 124 B.R. 169, 179 (D. Del. 1991).

34. The Debtors have sound business justifications for selling the Acquired Assets at this time. While the Debtors currently have limited access to capital, they are endowed with a strong customer base, well-respected brands, and solid operations. Accordingly, the Debtors have determined that the best option for maximizing the value of their estates for the benefit of their creditors is through a Sale of all or a portion of the Acquired Assets.

A. The Bidding Procedures are Fair and Are Designed to Maximize the Value Received for the Acquired Assets.

35. Bankruptcy Code section 363(b)(1) provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). The Debtors believe that the Bidding Procedures are appropriate under Bankruptcy Code sections 105 and 363 to ensure that the bidding process is fair and reasonable and will yield the maximum value for their estates and creditors. The Bidding Procedures proposed herein are designed to maximize the value received for the Acquired Assets by facilitating a competitive bidding process in which all potential bidders are encouraged to participate and submit competing bids. The Bidding Procedures provide potential bidders with sufficient notice and an opportunity to acquire information necessary to submit a timely and informed bid. At the same time, the Bidding Procedures provide the Debtors with the opportunity to consider all competing offers and to select the highest and best offer for portions of the Acquired Assets or the Acquired Assets as a whole as determined by the Debtors.

36. The Debtors request this Court’s approval of the Bidding Procedures, including the dates established thereby for an Auction and a Sale Hearing. Accordingly, the Debtors and all parties in interest can be assured that the consideration for the Acquired Assets will be fair and reasonable, and there are sound business reasons to approve the Bidding Procedures.

B. The Break-up Fee and Expense Reimbursement Are Necessary To Preserve the Value of the Debtors' Estates.

37. Pursuant to Bankruptcy Rule 6004(f)(1), a sale of property outside the ordinary course of business may be by private sale or by public auction. The Debtors believe that having the ability to offer the Bid Protections to the Purchaser and thereby facilitating an Auction will maximize the realizable value of the Acquired Assets for the benefit of the Debtors' estates, creditors and other parties-in-interest.

38. The Third Circuit, for example, identified at least two instances in which bidding incentives may benefit the estate. First, a break-up fee or expense reimbursement may be necessary to preserve the value of the estate if assurance of the fee "promote[s] more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." *Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 537 (3d Cir. 1999). Second, if the availability of break-up fees and expenses were to induce a bidder to research the value of the debtor and convert that value to a dollar figure on which other bidders can rely, the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth. *Id.*

39. In *O'Brien*, the Third Circuit reviewed the nine factors set forth by the lower court as relevant in deciding whether to award a break-up fee. Such factors are as follows:

- (i) the presence of self-dealing or manipulation in negotiating the breakup fee;
- (ii) whether the fee harms, rather than encourages, bidding;
- (iii) the reasonableness of the break-up fee relative to the purchase price;
- (iv) whether the unsuccessful bidder placed the estate property in a "sales configuration mode" to attract other bidders to the auction;

- (v) the ability of the request for a break-up fee “to attract or retain a potentially successful bid, establish a bid standard or minimum for other bidders, or attract additional bidders;”
- (vi) the correlation of the fee to a maximization of value of the debtor’s estate;
- (vii) the support of the principal secured creditors and creditors committees of a break-up fee;
- (viii) the benefits of the safeguards to the debtor’s estate; and
- (ix) the substantial adverse impact of the break-up fee on unsecured creditors, where such creditors are in opposition to the break-up fee.

O’Brien, 181 F.3d at 536.

40. The Bid Protections set forth in the Bidding Procedures will enable the Debtors to secure an adequate floor for the Acquired Assets and, thus, insist that competing bids be materially higher or otherwise better than the Agreement, a clear benefit to the Debtors’ estates. Moreover, the Purchaser would not agree to act as a stalking horse bidder without the Bid Protections. Without the benefit of the Purchaser, the bids received at Auction for the Acquired Assets could be substantially lower than that offered by the Purchaser.

41. Moreover, payment of the Bid Protections will not diminish the Debtors’ estate. The Debtors do not intend to terminate the Agreement, if to do so would incur an obligation to pay the Bid Protections, unless to accept an alternative bid.

C. Approval of the Sale is Warranted Under Bankruptcy Code 363(b).

42. Bankruptcy Code section 363(b)(1) provides that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. §363(b)(1). A debtor’s sale or use of assets outside the ordinary course of business should be approved by the Bankruptcy Court if the debtor can demonstrate a sound business justification for the proposed transaction. *See, e.g., In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Abbott’s Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); *In re*

Delaware & Hudson Ry. Co., 124 B.R. 169 (D. Del. 1991). Once the Debtors articulate a valid business justification, “[t]he business judgment rule ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98 (Bankr. N.D. Ill. 1995); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a Debtor’s management decisions”).

43. The Debtors have a sound business justification for selling the Acquired Assets at this time and in the manner proposed. Based on the results of their analysis of the Debtors’ ongoing and future business prospects, the Debtors’ management and team of financial advisors have concluded that a Sale of all or some of their Acquired Assets in accordance with the procedures set forth in the Bidding Procedures may be the best method to maximize recoveries to the estates. Maximization of the Acquired Assets’ value is a sound business purpose warranting authorization of any proposed Sale.

44. The Sale of any of the Debtors’ Acquired Assets will be subject to competing bids, enhancing the Debtors’ ability to receive the highest or otherwise best value for the Acquired Assets. Consequently, the fairness and reasonableness of the consideration to be received by the Debtors will ultimately be demonstrated by a “market check” through the auction process, which is the best means for establishing whether a fair and reasonable price is being paid.⁷

45. In addition, all creditors and parties in interest will receive adequate notice of the Bidding Procedures and Sale Hearing as set forth above. Such notice is reasonably calculated to

⁷ The Debtors reserve all rights not to submit any bid which is not acceptable to the Debtors for approval to the Bankruptcy Court.

provide timely and adequate notice to the Debtors' major creditor constituencies, those parties most interested in the Chapter 11 Cases, those parties potentially interested in bidding on the Acquired Assets and others whose interests are potentially implicated by a proposed Sale. Accordingly, consummating the Sale(s) as soon as possible is in the best interests of the Debtors and their creditors and parties in interest.

D. The Proposed Sale(s) Satisfy(ies) the Requirements of Section 363(f) for a Sale Free and Clear of Interests.

46. Section 363(f) of the Bankruptcy Code permits the Debtors to sell assets free and clear of all liens, claims, interests, charges and encumbrances (with any such liens, claims, interests, charges, and encumbrances attaching to the net proceeds of the sale with the same rights and priorities therein as in the sold assets). As Bankruptcy Code section 363(f) is stated in the disjunctive, when proceeding pursuant to section 363(b), it is only necessary to meet one of the five conditions of section 363(f). The Debtors believe that they will be able to demonstrate that at the Sale Hearing that they have satisfied one or more of these conditions.

47. The Debtors believe that at least certain of the secured lenders will consent to the sale free and clear under section 363(f)(2). Where that may not be the case, a sale free and clear can proceed pursuant to section 363(f)(5) of the Bankruptcy Code because the secured lenders' liens will attach to the proceeds of the sale and the Debtors will establish at the Sale Hearing that the secured lenders can be compelled to accept a monetary satisfaction of their claims.

48. The Debtors propose that any bona fide and allowed liens shall attach to the sale proceeds with the same force, validity, effect, priority and enforceability as such liens had in the Acquired Assets prior to such Sale.

E. A Successful Bidder Should be Entitled to the Protections of Section 363(m).

49. Pursuant to section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *In re Mark Bell Furniture Warehouse, Inc.*, 992 F.2d 7, 9 (1st Cir. 1993); *In re Willemain v. Kivitz*, 764 F.2d 1019, 1023 (4th Cir. 1985); *In re Congoleum Corp.*, Case No. 03-51524, 2007 WL 1428477, *2 (Bankr. D.N.J. May 11, 2007); *Abbotts Dairies of Penn.*, 788 F.2d at 147.

50. The Agreement was negotiated at arm's-length, with both parties represented by their own counsel through extensive negotiations. Although the Debtors engaged in discussions with other parties interested in acquiring certain of their Acquired Assets, the Debtors submit that the Purchaser's proposal as contained in the Agreement represents the Purchaser's highest and best offer for the Acquired Assets. Additionally, the Debtors will adduce facts at the Sale Hearing on any objection demonstrating that any bidder who is deemed a Successful Bidder for all or any portion of the Acquired Assets has negotiated at arm's-length, with all parties represented by their own counsel.

51. Accordingly, the Sale Approval Order will include a provision that the Successful Bidder for the Acquired Assets, is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code. The Debtors believe that providing any Successful Bidder with such protection will ensure that the maximum price will be received by the Debtors for the Acquired Assets and closing of the same will occur promptly.

F. The Assumption and Assignment of Executory Contracts and Unexpired Leases.

52. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or [unexpired] lease of the debtor." 11 U.S.C. § 365(a). The standard governing bankruptcy court approval of a debtor's decision to assume or reject an executory contract or unexpired lease is

whether the debtor's reasonable business judgment supports assumption or rejection. *See, e.g., In re Stable Mews Assoc., Inc.*, 41 B.R. 594, 596 (Bankr. S.D.N.Y. 1984). If the debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease or executory contract. *See Group of Institutional Investors v. Chicago M. St. P. & P.R.R. Co.*, 318 U.S. 523 (1943); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F. 2d 36, 39-40 (3d Cir. 1989). The business judgment test "requires only that the trustee [or debtor in possession] demonstrate that [assumption or] rejection of the contract will benefit the estate." *Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co.*, (*In re Wheeling-Pittsburgh Steel Corp.*), 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987) (quoting *In re Stable Mews Assoc.*, 41 B.R. 594, 596 (Bankr. S.D.N.Y. 1984)). Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially. *See Richmond Leasing Co. v. Capital Bank, NA.*, 762 F.2d 1303, 1311 (5th Cir. 1985). Moreover, pursuant to section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must "cure, or provide adequate assurance that the debtor will promptly cure," any default, including compensation for any "actual pecuniary loss" relating to such default. 11 U.S.C. § 365(b)(1).

53. Once an executory contract is assumed, the trustee or debtor in possession may elect to assign such contract. *See In re Rickel Home Center, Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) ("[t]he Code generally favors free assignability as a means to maximize the value of the debtor's estate"); *see also In re Headquarters Doge, Inc.*, 13 F.3d 674, 682 (3d Cir. 1994) (noting purpose of section 365(f) is to assist trustee in realizing the full value of the debtor's assets).

54. Section 365(f) of the Bankruptcy Code provides that the “trustee may assign an executory contract...only if the trustee assumes such contract...and adequate assurance of future performance is provided.” 11 U.S.C. § 365(f)(2). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given “practical, pragmatic construction.” *See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); *see also In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *Accord In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease from debtors has financial resources and has expressed willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding).

55. The Purchaser is a Fortune 500, publically-traded company specializing in marketing and distributing a wide variety of electronics components, enterprise computer products, and embedded subsystems with substantial breadth and depth across the entire field of electronic parts distribution. Among other things, the Purchaser’s profitability and success have related to its strategic investments in and acquisitions of companies and assets that provide synergistic growth opportunities, and has closed many transactions to further its aims. Upon closing, the Purchaser will have financial resources that are sufficient to perform under any of the Assumed Contracts. Moreover, if necessary, the Debtors will adduce facts at the hearing on any objection demonstrating the financial wherewithal of the Purchaser or any Successful Bidder, and their willingness and ability to perform under the contracts to be assumed and

assigned to them. The Sale Hearing therefore will provide the Court and other interested parties ample opportunity to evaluate and, if necessary, challenge the ability of any Successful Bidder to provide adequate assurance of future performance under the Assumed Contracts.

56. The Debtors respectfully submit that the proposed Notice Procedures are appropriate and reasonably tailored to provide interested parties with adequate notice in the form of the Assumption and Cure Notice of the proposed assumption and assignment of their applicable contract, as well as proposed Cure Amounts, if applicable. Such interested parties will then be given an opportunity to object to such notice. If an objection is filed, such objection will be heard at the Sale Hearing or at a later hearing, as determined by the Debtors.

57. Furthermore, to the extent that any defaults exist under any executory contract or unexpired lease that is to be assumed and assigned in connection with the Sale of any of the Acquired Assets, the Purchaser will cure any such default prior to such assumption and assignment. Moreover, the Debtors will adduce facts at the Sale Hearing demonstrating the financial wherewithal of the Successful Bidder(s), its experience in the industry, and its willingness and ability to perform under the contracts to be assumed and assigned to it.

58. Accordingly, the Debtors submit that implementation of the proposed Notice Procedures is appropriate in these cases. The Court therefore should have a sufficient basis to authorize the Debtors to reject or assume and assign contracts as will be set forth in a Successful Bidder's asset purchase agreement.

G. Rejection of the Rejected Contracts.

59. Following the closing of the Sale, the Debtors will file a motion to reject the Rejected Contracts. Section 365(a) of the Bankruptcy Code allows the Debtors to reject any executory contract or unexpired lease if such rejection represents a reasonable exercise of their business judgment. *See In re Orion Pictures Corp.*, 4 F.3d 1095, 1099 (2d Cir. 1993); *In re*

Bullet Jet Charter, Inc., 177 B.R. 593, 601 (Bankr. N.D. Ill. 1995); *In re Del Grosso*, 115 B.R. 136, 138 (Bankr. N.D. Ill. 1990); *Johnson v. Fairco Corp.*, 61 B.R. 317, 319-20 (N.D. Ill. 1986). Additionally, Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). If a debtor’s proposed use of property pursuant to section 363(b) of the Bankruptcy Code represents a reasonable business judgment on the part of the debtor, such use should be approved. *See, e.g., Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003). The business judgment test requires only that the Debtors demonstrate that the rejection will benefit the estate. *See e.g. In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994). The Debtors clearly satisfy the business judgment standard in this case. In order to effectuate the Agreement with the Purchaser, the Debtors have agreed, in the sound exercise of their business judgment, to reject or terminate the Rejected Contracts. Such rejection or termination will benefit the Debtors’ estates in such a manner as to maximize the potential recoveries for the Debtors’ creditors.

H. Relief Under Bankruptcy Rules 6004(h) and 6006(d) is Appropriate.

60. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property...is stayed until the expiration of ten days after entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease ... is stayed until the expiration of ten days after the entry of the order, unless the court orders otherwise.” The Debtors believe that the Purchaser or any Successful Bidder will have an interest in closing the sale of the Acquired Assets as quickly as possible after entry of the Sale Approval Order and that such timing will positively affect the ultimate value offered for the Acquired Assets.

Accordingly, the Debtors request that any Sale Approval Order be effective immediately by providing that the ten-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

NOTICE

61. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) all known taxing authorities of the Debtors; (c) counsel to Delaware Street Master Fund, L.P.; (d) counsel to any official committee of unsecured creditors; (e) all entities known to have expressed an interest in a transaction with respect to any of the Acquired Assets during the past year from the Effective Date of the Agreement; (f) counsel to the Purchaser; and (g) those persons filing notices of appearance or requests for notice under Bankruptcy Rule 2002 in the Chapter 11 Cases. Further, after entry of the Bidding Procedures Order, notice with respect to the Motion and the Sale will be provided in accordance with the Notice Procedures described herein. The Debtors submit that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

62. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter the Bidding Procedures Order substantially in the form attached hereto (i) approving the Bidding Procedures; (ii) approving the Bid Protections; (iii) scheduling an Auction and a Sale Hearing to approve such sale or sales, and approving the form and manner of notice thereof; and (iv) granting such other and further relief as may be just and proper. Additionally, the Debtors request that at the Sale Hearing the Court enter one or more Sale Approval Orders subject to the result of the Auction and to the Bidding Procedures (i) approving and authorizing the Sale; (ii) authorizing

the assumption and assignment of certain executory contracts and unexpired leases; (iii) authorizing the termination or rejection of the Rejected Contracts such that no rights are retained thereunder after such termination or rejection; and (iv) granting such other and further relief as may be just and proper.

Dated: December 12, 2011

Respectfully submitted,

By: /s/ John P. Sieger

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*Proposed Counsel to the Debtors and
Debtors in Possession*

Exhibit A

(Bid Procedures Order)

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
HARTFORD COMPUTER HARDWARE,	)	Case No. 11-49744 (PSH)
INC., <i>et al.</i> , ¹	)	(Joint Administration Pending)
)	
Debtors.	)	Hon. Pamela S. Hollis

ORDER (I) APPROVING BIDDING PROCEDURES, (II) GRANTING CERTAIN BID PROTECTIONS, (III) APPROVING FORM AND MANNER OF SALE NOTICES, AND (IV) SETTING SALE HEARING DATE IN CONNECTION WITH SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS

This matter coming before the Court on the *DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 105(a), 363, 365 AND FED. R. BANKR. P. 2002, 6004, 6006 FOR (I) ENTRY OF AN ORDER (A) APPROVING BIDDING PROCEDURES; (B) GRANTING CERTAIN BID PROTECTIONS; (C) APPROVING FORM AND MANNER OF SALE NOTICES; (D) SETTING SALE HEARING DATE IN CONNECTION WITH SALE OF SUBSTANTIALLY ALL OF DEBTORS' ASSETS; AND (II) ENTRY OF AN ORDER (A) APPROVING THE SALE OF DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS; (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (C) THE ASSUMPTION OF CERTAIN LIABILITIES; AND (D) GRANTING CERTAIN RELATED RELIEF* (the "Motion")²; the Court having reviewed the Motion and the Declaration in Support of First Day Relief; the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. § 1408 and 1409, (c) this

¹ The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525), Nexicore Services, LLC (FEIN 03-0489686), Hartford Computer Group, Inc. (FEIN 36-2973523), and Hartford Computer Government, Inc (FEIN 20-0845960).

² Capitalized terms not defined herein shall have the meaning given to them in the Motion.

is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Motion having been sufficient under the circumstances; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein;

IT IS HEREBY ORDERED as follows:

1. The Motion is GRANTED.
2. All objections to the Motion or the relief requested therein that have not been made, withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.
3. Notice of the Motion was proper, timely, adequate and sufficient under Bankruptcy Rules 2002, 6004, and 6006 and the particular circumstances.
4. The Break-Up Fee is appropriate in nature and amount and is approved—insofar as it is an integral part of, and a condition to, the sale process proposed in the Motion, which is designed to maximize the value of the Acquired Assets and is in the best interests of the estates.
5. The Bid Procedures proposed in the Motion and set forth on **Exhibit 1** to this order are appropriate and in the best interests of the estates and their creditors.
6. The Sale Hearing will be held on February 17, 2012 at ____ a.m./p.m. If the Debtors do not receive any Qualified Bids other than the Purchaser's bid, the Debtors need not conduct the Auction and may recommend the approval of the Purchaser as the approved purchaser of the Assets at the Sale Hearing. If the Debtors do receive one or more Qualifying Bids, the Debtors shall conduct an Auction consistent with the Bid Procedures, which are hereby approved. At the Sale Hearing, the Debtors shall provide a report of the Auction and which Qualifying Bid has been selected as the highest and best and will serve as the Successful Bid. The Court will not use the Sale Hearing to conduct any competitive bidding for the Acquired

Assets or consider any bids not submitted at the Auction or submitted in accordance with the Bid Procedures approved in this order.

7. No later than February 1, 2012, the Debtors shall file with the Court and serve on all non-Debtor parties to the Assumed Contracts the Assumption Cure Notice. The non-Debtor party to an Assumed Contract shall have seven days from the service of the Assumption and Cure Notice to object to the proposed assumption and assignment to the Purchaser and shall state in its objection, with specificity, the legal and factual basis of its objection.

8. If no objection is timely received, the non-Debtor party to the Assumed Contract shall be forever barred from asserting any objection with regard to the assumption and assignment of the Assumed Contract to the Purchaser.

9. Each non-Debtor party to the Assumed Contracts shall have seven days from the date of the Assumption and Cure Notice to object to the Cure Amount and must state in its objection with specificity what Cure Amount is required (with appropriate documentation in support thereof). If no objection is timely received, the Cure Amount set forth in the Assumption and Cure Notice shall be controlling, notwithstanding anything to the contrary in any Assumed Contract, or any other document, and the non-Debtor party to the Assumed Contract shall be deemed to have consented to the Cure Amount and shall be forever barred from asserting any other claims as to such Assumed Contract against the Debtors, the Purchaser, or the Successful Bidder, or the property of any of them.

10. If an objection to the Cure Amount is timely filed and received and the parties are unable to consensually resolve the dispute, the amount to be paid under section 365 of the Bankruptcy Code, if any, with respect to such objection will be determined at a hearing to be requested by the Debtors or by the objecting counterparty. At the Purchaser's or the Successful

Bidder's discretion, and provided the Purchaser or the Successful Bidder escrow the disputed portion of the Cure Amount, the hearing regarding the Cure Amount may be continued until after the closing date of the Sale and the Assumed Contract(s) subjected to such Cure Amount shall be assumed and assigned to the Purchaser or the Successful Bidder at closing of the Sale.

11. Any objections to the relief requested in the Motion must: (a) be in writing; (b) conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois; (c) set forth the name of the objector and the nature and amount of any claims against or interests in the Debtors; (d) state with particularity the legal and factual bases for the objection; and (e) be filed and served so that it is *received* no later than 5:00 p.m. Central Time on February 10, 2012 by counsel for the Debtors.

12. No later than five business day from its receipt of this order as entered by the Court, the Debtors must provide copies of the Motion the Sale Notice and this Order via first-class mail to the Office of the U.S. Trustee, all holders of any lien on or interest in any of the Assets, all non-debtor parties to the Assumed Contracts and , and all known creditors and equity holders of record. Such notice is adequate under the circumstances for purposes of any eventual approval of the Sale Motion.

13. The Debtors must publish notice of the Sale Motion, with a summary of the relief requested and the objection deadline, at least once in the *Wall Street Journal* no later than 30 days before the objection deadline.

14. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

15. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: _____, 2011

UNITED STATES BANKRUPTCY JUDGE

60933929

Exhibit 1

(Bid Procedures)

BID PROCEDURES

Capitalized terms used but not defined herein retain the meanings given to them in the Sale Motion. The sale of the Assets is subject to competitive bidding as set forth below and approval by the United States Bankruptcy Court for the Northern District of Illinois under Bankruptcy Code § 363 and Bankruptcy Rule 6004.

A. Solicitation of Competing Bids. The Debtors, through their officers, agents, and professionals, may solicit, negotiate, and otherwise discuss with any entity the submission of a competing bid for the Acquired Assets (a “Competing Bid” by a “Competing Bidder”) or any similar transaction involving the assets to be sold and the contracts to be assumed and assigned to the Purchaser hereunder, but:

- i. The Debtors must provide to the Purchaser a complete copy of any Qualified Bid (defined below) received (redacting only any confidential information contained in it) within two business days of receiving it; and
- ii. Any Competing Bid must conform to the requirements for a Qualified Bid set forth below.

B. Submission of Competing Bids. All Competing Bids must be submitted on or before 5:00 p.m. prevailing Chicago time on or before February 13, 2012, to: (i) Hartford Computer Group, Inc., c/o Paragon Capital Partners, LLC, 450 Park Avenue, Suite 2500, New York, New York 10022 (Attn: Michael Levy), mlevy@paragoncp.com, (ii) counsel to the Debtors, Katten Muchin Rosenman LLP, 525 W. Monroe Street, Suite 1900, Chicago, Illinois 60662 (Attn: John P. Sieger) john.sieger@kattenlaw.com, (iii) counsel for Delaware Street Capital Master Fund, L.P., Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654 (Attn: Michael S. Terrien) mterrien@jenner.com, (iv) counsel for the official committee of unsecured creditors, if any, (v) counsel for the Purchaser, Squire Sanders & Dempsey (US) LLP, 1 E. Washington St., Suite 2700, Phoenix, Arizona 85004 (Attn: Jordan A. Kroop) jordan.kroop@ssd.com, and (vi) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn, Room 873, Chicago, Illinois 60604 (Attn: Denise DeLaurent).

C. Qualification of Competing Bids. Only Competing Bids that meet all the following requirements are “Qualified Bids” eligible to be considered at the Auction (defined below):

The Competing Bid must be in writing and include a markup of the Agreement showing the changes to the Agreement the Competing Bidder requires;

1. The Competing Bid must provide consideration in an amount no less than the total of the Purchase Price set forth in the Agreement plus the Break-Up Fee of \$1,775,000, plus a minimum overbid increment of \$100,000 (collectively, a “Minimum Overbid”);
2. The Competing Bid must be accompanied by a good faith, refundable deposit of no less than 10% of the Purchase Price, plus additional indicia of ability to immediately close the transactions contemplated by the Competing Bid, including adequate assurance of future performance of

any executory contract or unexpired lease that would be assumed and assigned to the Competing Bidder under the Competing Bid, with the Debtors reserving the right, in their sole reasonable discretion as informed by their professionals, to determine the sufficiency of such indicia;

3. The Competing Bid must be on terms more favorable and not more burdensome or conditional in any material respect than that contemplated by the Agreement in respect of, among other things, price, conditions on closing, third-party consents, and regulatory approvals, as determined by Debtors in their sole, reasonable discretion as informed by their professionals; and
4. The Competing Bidder must submit to the Debtors, by the close of the Auction (defined below), an instrument of irrevocable commitment to the terms of the Competing Bid.

D. Auction. One business day prior to the Sale Hearing, the Debtors will conduct a session of bidding (the “Auction”) among the Buyer and all Competing Bidders submitting a Qualified Bid (each a “Qualified Bidder”) to determine the highest and best bid for the Assets. The Buyer and all Qualified Bidders may increase their bids as many times as they wish during the Auction, with the Buyer receiving cash credit for the Break-Up Fee on all subsequent bids. All bids must exceed the previous bid by no less than \$100,000 in total compensation. At the close of all bidding, the Debtors will announce the highest and best bid and will retain a record of each Qualified Bidders’ final bid for purposes of the Bankruptcy Court’s solicitation of and approval of any “backup bid” at the Sale Hearing, the holder of which would be entitled to close a purchase of the Assets if the highest and best bid determined at the Auction does not close in accordance with the Sale Order.

Exhibit 2

(Sale Notice)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

In re:	)	Chapter 11
)	
HARTFORD COMPUTER HARDWARE, INC., <i>et al.</i> , ¹	)	Case No. 11-49744 (PSH)
	)	(Joint Administration Pending)
)	
Debtors.	)	Hon. Pamela S. Hollis

NOTICE OF SALE OF CERTAIN ASSETS AT AUCTION

PLEASE TAKE NOTICE THAT:

1. Pursuant to the Order (I) Approving Bidding Procedures (II) Granting Certain Bid Protections, (III) Approving Form And Manner Of Sale Notices, And (IV) Setting Sale Hearing Date In Connection With Sale Of Substantially All Of Debtors' Assets (the "Bidding Procedures Order") entered by the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") on December __, 2011, Hartford Computer Hardware, Inc., Nexicore Services, LLC, Hartford Computer Group, Inc., and Hartford Computer Government, Inc. (the "Debtors"), have entered into an Asset Purchase Agreement (the "Agreement") with Avnet, Inc. and Avnet International (Canada) Ltd. (together, the "Purchaser") for the sale of substantially all of the Debtors' assets subject to a competitive bidding process as set forth in the Bidding Procedures Order. Capitalized terms used but not otherwise defined in this notice have the meanings ascribed to them in the Bidding Procedures Order or the Agreement.

2. Copies of (i) the Motion, (ii) the Agreement, (iii) the proposed Sale Approval Order, (iv) the Bidding Procedures, and (v) the Bidding Procedures Order can be obtained on the website of the Debtors claims and noticing agent, Kurtzman Carson Consultants LLC at www.kccllc.net/Hartford.

3. All interested parties are invited to make an offer to purchase the Acquired Assets in accordance with the terms and conditions approved by the Bankruptcy Court (the "Bidding Procedures") by **5:00 p.m.** (prevailing Chicago time) on **February 13, 2012**. Pursuant to the Bidding Procedures, the Debtors may conduct an auction for the Acquired Assets (the "Auction") beginning at **10:00 a.m.** (prevailing Chicago time) on **February 16, 2012**, at the offices of Katten Muchin Rosenman LLP, 525 West Monroe Street, Suite 1900, Chicago, Illinois 60661 or such later time or other place as the Debtors notify all Qualified Bidders who have submitted Qualified Bids.

4. Participation at the Auction is subject to the Bidding Procedures and the Bidding Procedures Order.

¹ The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525), Nexicore Services, LLC (FEIN 03-0489686), Hartford Computer Group, Inc. (FEIN 36-2973523), and Hartford Computer Government, Inc. (FEIN 20-0845960).

5. A hearing to approve the Sale of the Acquired Assets to the highest and best bidder will be held on **February 17, 2012** at _____. (prevailing Chicago time) at the Bankruptcy Court. The hearing on the Sale may be adjourned without notice other than an adjournment in open court.

6. Objections, if any, to the proposed Sale must be filed and served in accordance with the Bidding Procedures Order, and **actually received** no later than **4:00 p.m.** (prevailing Chicago time) on **February 10, 2012**.

7. This notice is qualified in its entirety by the Bidding Procedures Order.

Dated: _____, 2011

Respectfully submitted,

By: /s/ John P. Sieger

John P. Sieger (ARDC No. 6240033)
Peter J. Siddiqui (ARDC No. 6278445)
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*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

CONFIDENTIAL

ASSET PURCHASE AGREEMENT

between

AVNET, INC.,

AVNET INTERNATIONAL (CANADA) LTD.,

HARTFORD COMPUTER GROUP, INC.

and

NEXICORE SERVICES, LLC

Dated as of

December 12, 2011

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EXHIBITS

- A. Example of Working Capital Statement
- B. Escrow Agreement
- C. License Agreement
- D. Canadian Tax Escrow Agreement

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is entered into as of December 12, 2011, by and between Avnet, Inc., a New York corporation (“US Buyer”), Avnet International (Canada) Ltd., an Ontario corporation (“Canadian Buyer” and together with US Buyer, the “Buyers” and each individually, a “Buyer”), Hartford Computer Group, Inc., a Delaware corporation (“Parent”), and Nexicore Services, LLC, a Delaware limited liability company (“Nexicore” and together with Parent, the “Sellers” and, each individually, a “Seller”).

RECITALS

WHEREAS, Parent and Nexicore, a wholly-owned subsidiary of Parent, are engaged in the Business and both use certain assets owned by Parent in the operation of the Business;

WHEREAS, US Buyer and Canadian Buyer wish to purchase and acquire from the Sellers, and the Sellers wish to sell, assign and transfer to US Buyer and Canadian Buyer, the US Assets and the Canadian Assets, respectively, and each Buyer has agreed to assume their respective Assumed Liabilities and Assumed Contracts, with approval of the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code, all for the Purchase Price, and upon the terms and subject to the conditions herein set forth;

WHEREAS, the Sellers anticipate filing bankruptcy petitions under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) promptly after the date hereof, commencing a jointly-administered Chapter 11 case (the “Bankruptcy Case”) in the U.S. Bankruptcy Court for the Northern District of Illinois (the “Bankruptcy Court”), and also anticipate filing proceedings under the CCAA (the “CCAA Recognition Proceedings”) to obtain an order from the CCAA Court pursuant to Part IV of the CCAA recognizing the Bankruptcy Case as a “foreign main proceeding” and facilitating the implementation and enforcement of orders of the Bankruptcy Court;

WHEREAS, the Sellers expect to implement the Contemplated Transactions through the Bankruptcy Case and the CCAA Recognition Proceedings and in accordance with the Bankruptcy Code and the CCAA; and

WHEREAS, the Contemplated Transactions involve a sale, other than in the ordinary course of business, of certain of the Sellers’ assets and properties out of the Sellers’ bankruptcy estate and the Seller’s assignment to the Buyers, and the Buyers’ assumption, of the Assumed Contracts pursuant to Bankruptcy Code Sections 363 and 365;

NOW, THEREFORE, in consideration of the premises and of the representations, warranties and covenants hereinafter set forth, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Section 1.1.

“116(2) Property” means the portion of the Canadian Assets consisting of “taxable Canadian property (other than property described in subsection (5.2) and excluded property)” as defined for purposes of section 116 of the ITA.

“116(5.2) Property” means the portion of the Canadian Assets consisting of property that is described in subsection 116(5.2) of the ITA.

“2012 Earnout Amount” has the meaning set forth in Section 3.5(a).

“2013 Earnout Amount” has the meaning set forth in Section 3.5(b).

“Accounting Arbitrator” has the meaning set forth in Section 3.4(a)(iv).

“Accounts Payable” means all billed and unbilled accounts payable and other obligations to make payments under any Assumed Contract.

“Action” means any action, suit, arbitration, inquiry, proceeding or investigation by or before any court, arbitrator, governmental or other regulatory or administrative agency or commission.

“Affiliate” means, with respect to any specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such specified Person. For this definition, “control” (and its derivatives) means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting interests, as trustee or executor, by Contract or otherwise.

“Agreement” has the meaning set forth in the Preamble.

“Applicable Law” means all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, ordinances, codes or orders of any Governmental Authority, and (b) orders, decisions, injunctions, judgments, awards and decrees of, or agreements with, any Governmental Authority, in each case, as amended or may be amended.

“Asset Allocations” has the meaning set forth in Section 3.3(a).

“Assumed Contracts” means, collectively, all Contracts listed on Schedule 2.1(d)(i) and Schedule 2.1(d)(ii).

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Auction” has the meaning set forth in Section 11.6.

“Bankruptcy Case” has the meaning set forth in the Recitals.

“Bankruptcy Code” has the meaning set forth in the Recitals.

“Bankruptcy Court” has the meaning set forth in the Recitals.

“Benefit Plans” has the meaning set forth in Section 6.2.

“Books and Records” means originals, if available and copies if not, of each the Seller’s books, data, files and Records used in connection with the Business, whether in print, electronic or other media, including, without limitation: product data; engineering/process data; material safety data sheets and price lists; engineering drawings; designs; tool designs; manufacturing plans; quality plans; engineering notebooks; laboratory papers, reports and test results; engineering plans and reports; production plans/documentation, work papers and process aides; operations and maintenance manuals, any other technical data, information or manufacturing/production documentation; correspondence; sales data; information relating to customers; mailing lists; brochures; advertising materials; business and marketing plans; sales literature; promotional literature; customer, supplier and distributor lists; display units; listings; and purchasing records; provided, however, that Books and Records excludes (a) items related to Excluded Assets or Excluded Liabilities and (b) originals that each Seller is required by Applicable Law to retain in its possession.

“Break-Up Fee” means the fee referenced in Section 11.7 or such other amount approved by the Bankruptcy Court in the Bankruptcy Case, and recognized by the CCAA Court in the CCAA Recognition Proceedings, to be paid at, and from the proceeds of, the closing of the Contemplated Transactions between the Sellers and a purchaser or purchasers unaffiliated with any Buyer, as consideration for the Buyers’ efforts and expenses in the negotiation, due diligence, and bidding processes associated with the Contemplated Transactions, and as liquidated and agreed damages in respect of the failure of the Contemplated Transactions with the Buyers to close, as further defined and approved by order of the Bankruptcy Court in the Bankruptcy Case, and recognized by the CCAA Court in the CCAA Recognition Proceedings.

“Business” means, collectively, the US Business and the Canadian Business.

“Business Day” means a day other than a Saturday or a Sunday or other day on which commercial banks in Chicago, Illinois are authorized or required by Applicable Law to close.

“Buyer Pro Rata Share” means the respective percentage of the fair market value of the Business, based on the fair market value of the Transferred Assets net of any Assumed Liabilities, that is attributable to the US Business and the Canadian Business based on the respective fair market values of the US Assets and Canadian Assets, net of any Assumed Liabilities, after taking into account the Final Closing US Working Capital Adjustment and the Final Closing Canadian Working Capital Adjustment as determined by the Buyers.

“Buyer Pro Rata Tentative Share” means the respective percentage of the fair market value of the Business, based on the fair market value of the Transferred Assets net of any Assumed Liabilities before taking into account the Final Closing US Working

Capital Adjustment and the Final Closing Canadian Working Capital Adjustment, that is attributable to the US Business and the Canadian Business based on the respective fair market values of the US Assets and Canadian Assets net of any Assumed Liabilities, all as determined by the Buyers. For example, if the Buyers determine that the Business' fair market value net of liabilities is \$100, of which, the US Business' fair market value net of liabilities is \$75 and the Canadian Business' fair market value net of liabilities is \$25, then the Buyer Pro Rata Tentative Share for US Buyer would be 75% and the Buyer Pro Rata Tentative Share for Canadian Buyer would be 25%.

"Buyer(s)" has the meaning set forth in the Preamble.

"Buyer Share True-Up" means, in the event the Buyer Pro Rata Tentative Share and the Buyer Pro Rata Share are different, an adjustment to the overall portion of the Purchase Price respectively paid by US Buyer and Canadian Buyer to ensure that US Buyer and Canadian Buyer pay their respective portion of the Purchase Price based on their respective Buyer Pro Rata Share, which adjustment shall be effected by increasing or decreasing, as the case may be, the amounts paid out of the US Escrow Amount and the Canadian Escrow Amount, as applicable. The Buyer Share True-Up (a) shall be made in conjunction with US Buyer and Canadian Buyer's respective payment of the Final Closing US Working Capital Adjustment, if any, and the Final Closing Canadian Working Capital Adjustment, if any, pursuant to the terms of Section 3.4(a) and Section 3.4(b); and (b) shall take into account the Closing Cash Payment made on the Closing Date by US Buyer and Canadian Buyer based on their respective Buyer Pro Rata Tentative Share. For the avoidance of all doubt, the Buyer Share True-Up will be an adjustment to the portion of the Purchase Price respectively paid by US Buyer and Canadian Buyer and will not affect the amount of the Purchase Price to be paid to the Sellers.

"Buyers' Tax Contest" has the meaning set forth in Section 9.5(d).

"Canadian Acceptance Notice" has the meaning set forth in Section 3.4(b)(iii).

"Canadian Assets" means all properties, assets, contracts and rights of each Seller used exclusively in the Canadian Business, other than the Excluded Assets, including, without limitation, the following (with each asset owned by Parent listed in a schedule referenced below being identified as belonging to Parent):

- (a) all of the Fixed Assets listed on Schedule 2.1(a)(i);
- (b) all accounts receivables specific to the Canadian Business, whether billed or unbilled, as such receivables exist and have been added to or otherwise modified up to the Closing Date;
- (c) all rights in respect of the Transferred Intellectual Property specific to the Canadian Business listed on Schedule 2.1(c)(i);
- (d) all of the Assumed Contracts listed on Schedule 2.1(d)(i);

(e) all inventories (including all finished goods, goods in transit, work-in-process, raw materials, spare parts and all other materials and supplies held for, to be used or intended to be used by or consumed by a Seller in the production of finished goods), office and other supplies located at the Transferred Facilities listed on Schedule 2.1(o)(i) or specific to the Canadian Business;

(f) all of the prepaid expenses and security deposits relating to the Canadian Business reflected on the final Closing Canadian Working Capital Statement or that relate to any of the Assumed Contracts listed on Schedule 2.1(d)(i);

(g) all of the Books and Records specific to the Canadian Business;

(h) to the extent permitted under Applicable Law, all Consents and Permits specific to the Transferred Facilities listed on Schedule 2.1(o)(i), the Canadian Assets or the Canadian Business, including without limitation the Consents and Permits set forth on Schedule 2.1(h)(i);

(i) to the extent transferable, all rights under express or implied warranties from or rights against a Seller's suppliers with respect to the Canadian Assets, the Canadian Business or the Assumed Contracts listed on Schedule 2.1(d)(i);

(j) all insurance benefits or proceeds, including rights and proceeds, arising from or relating to the Canadian Assets, the Canadian Business or the Assumed Liabilities prior to the Closing;

(k) all rights to causes of action, lawsuits, claims and demands of any nature available to a Seller that are specific to the Canadian Assets, the Assumed Liabilities related to the Canadian Business or, otherwise to the Canadian Business, other than avoidance actions under the Bankruptcy Code;

(l) to the extent transferable, all guarantees, warranties, indemnities, bonds, letters of credit and similar arrangements that run in favor of a Seller specifically related to the Canadian Assets or the Canadian Business;

(m) additional assets relating to the Canadian Business arising in the ordinary course of business between the date hereof and the Closing Date reflected on the final Closing Canadian Working Capital Statement;

(n) each Seller's rights and interests under all outstanding purchase orders entered into by each Seller for the purchase of goods or services specific to the Canadian Business;

(o) all rights and interests of each Seller with respect to the Transferred Facilities listed on Schedule 2.1(o)(i); and

(p) to the extent transferable and specific to the Canadian Business, all other or additional privileges, rights, interests, properties and assets of each Seller of every kind and description and wherever located, including without limitation the real estate leases

listed on Schedule 2.1(p)(i), that are used or intended for use in connection with, or that are necessary for the continued conduct of, the Canadian Business as presently being conducted.

“Canadian Business” means the business of providing depot repair services and repair services and parts distribution and repair services as conducted by Parent on the Closing Date in Canada, but for the avoidance of all doubt, expressly excluding the hardware business conducted by Parent’s Subsidiary Hartford Computer Hardware, Inc. and its Subsidiary, Hartford Computer Government, Inc.

“Canadian Buyer” has the meaning set forth in the Preamble.

“Canadian Buyer Payment” has the meaning set forth in Section 9.5(g)(ii).

“Canadian Escrow Amount” means Two Hundred Thousand Dollars (\$200,000).

“Canadian Objection Notice” has the meaning set forth in Section 3.4(b)(iii).

“Canadian Tax Escrow Agent” has the meaning set forth in Section 9.5(g)(ii).

“Canadian Tax Escrow Agreement” has the meaning set forth in Section 9.5(g)(ii).

“Canadian Transfer Taxes” has the meaning set forth in Section 9.4(c)(i).

“Canadian Working Capital” means (a) Current Assets of the Canadian Business *less* (b) Current Liabilities of the Canadian Business, in each case attributable to the Canadian Assets.

“Canadian Working Capital Offset” has the meaning set forth in Section 3.4(b)(v).

“Cash Payment” has the meaning set forth in Section 3.2(a)(i).

“CCAA” means the *Companies’ Creditors Arrangement Act* R.S.C., 1985, c.36, as amended.

“CCAA Court” means the Ontario Superior Court of Justice (Commercial List).

“CCAA Recognition Proceedings” has the meaning set forth in the Recitals.

“Certificate of Compliance” has the meaning set forth in Section 9.5(g)(i).

“Closing” means the closing of the transactions as contemplated by Section 3.1.

“Closing Cash Payment” has the meaning set forth in Section 3.2(b)(i).

“Closing Canadian Working Capital” has the meaning set forth in Section 3.4(b)(ii).

“Closing Canadian Working Capital Statement” has the meaning set forth in Section 3.4(b)(ii).

“Closing Date” has the meaning set forth in Section 3.1.

“Closing US Working Capital” has the meaning set forth in Section 3.4(a)(ii).

“Closing US Working Capital Statement” has the meaning set forth in Section 3.4(a)(ii).

“Code” means the Internal Revenue Code of 1986, as amended.

“Comfort Letter” has the meaning set forth in Section 9.5(g)(v).

“Competing Bid” has the meaning set forth in Section 11.3.

“Competing Bidder” has the meaning set forth in Section 11.3.

“Consent” means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption, order or variance of, registration, certificate, declaration or filing with, or report or notice to, any Person, including, but not limited to, any Governmental Authority.

“Contemplated Transactions” means the transactions contemplated by the Agreement.

“Contract(s)” means any legally binding agreements, contracts, commitments, orders, licenses, leases and other instruments and arrangements.

“Cost of Capital” means an amount equal to the interest on the incremental capital contributed to the Business after the Closing Date from the date of contribution of such capital at the rate of 10% per annum, compounding monthly.

“CRA” means the Canada Revenue Agency.

“Current Assets” of the Canadian Business or the US Business, respectively, means the sum of the (i) accounts receivable, (ii) inventory and (iii) prepaid expenses and other as presented in the financial statements of the Business, but shall expressly exclude cash and any claim for a refund for Taxes.

“Current Liabilities” of the Canadian Business or the US Business, respectively, means the sum of (i) Accounts Payable, (ii) accrued expenses and (iii) deferred revenue as presented in the financial statements of the Business, but shall expressly exclude lines of credit, accrued interest to related parties and notes payable to related parties.

“Designated Individuals” has the meaning set forth in Section 12.10.

“Disclosure Schedule” has the meaning set forth in the preamble to Article 4.

“Earnout Amount(s)” has the meaning set forth in Section 3.5(b).

“Effective Time” has the meaning set forth in Section 3.1.

“Employee” means an individual employed by Parent or Nexicore in the Business, whether on a full-time or part-time basis.

“Employee Information” has the meaning set forth in Section 4.11.

“Employment Agreements” has the meaning set forth in Section 12.10.

“Encumbrance” means any charge, claim, condition, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude, right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership. Notwithstanding the foregoing, the following shall not constitute an Encumbrance: (a) workers’ or unemployment compensation liens arising in the ordinary course of business; (b) mechanic’s, materialman’s, supplier’s, vendor’s or similar liens arising in the ordinary course of business securing amounts that are not delinquent or past due; (c) purchase money security interests arising in the ordinary course of business; (d) zoning ordinances, easements and other restrictions of legal record affecting real property which would be revealed by a survey and would not, individually or in the aggregate, materially interfere with the value or usefulness of such real property to the Business; (e) Encumbrances for taxes either not yet due and payable or being contested in good faith by appropriate means; (f) statutory Encumbrances of landlords for amounts not yet due and payable; (g) Encumbrances attaching to inventory held by consignees in the ordinary course of business; and (h) Encumbrances securing indebtedness to be repaid or released in full without any further Liability in connection with the Closing.

“Environmental Laws” means any federal, state, provincial, territorial, municipal or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or environmental conditions, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601, *et seq.*; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901, *et seq.*; the Toxic Substances Control Act of 1976, 15 U.S.C. §§ 2601, *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. § 11001, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 300f, *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. §§ 3251, *et seq.*; and any other federal, state, provincial, territorial, municipal and local laws and regulations relating to pollution or the environment (including, without limitation, ambient air, surface water, groundwater, land surface, or sub-surface strata), including, without limitation, laws and regulations relating to emissions, discharges, releases, or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials. Any reference in the definition

of the Environmental Laws to statutory or regulatory sections shall be deemed to include any amendments thereto and any successor sections.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” means Wells Fargo Bank, N.A.

“Escrow Agreement” means the escrow agreement substantially in the form attached hereto as Exhibit B.

“Estimated Canadian Tax Liabilities” means the Sellers’ good faith estimation of the amount of Taxes allocable to a Pre-Closing Tax Period, the non-payment of which would result in the Buyers becoming liable for such Taxes to any Governmental Authority in Canada. For the avoidance of all doubt, the Estimated Canadian Tax Liabilities shall, without limitation, include all Taxes for which a Buyer shall become liable, allocable to a Pre-Closing Tax Period (using the procedures set forth in Section 9.5(a)) that began on or before the Closing Date and that will end after the Closing Date.

“Estimated Closing Canadian Working Capital” has the meaning set forth in Section 3.4(b)(i).

“Estimated Closing Canadian Working Capital Adjustment” has the meaning set forth in Section 3.4(b)(i).

“Estimated Closing Canadian Working Capital Statement” has the meaning set forth in Section 3.4(b)(i).

“Estimated Closing US Working Capital” has the meaning set forth in Section 3.4(a)(i).

“Estimated Closing US Working Capital Adjustment” has the meaning set forth in Section 3.4(a)(i).

“Estimated Closing US Working Capital Statement” has the meaning set forth in Section 3.4(a)(i).

“Estimated US Tax Liabilities” means the Sellers’ good faith estimation of the amount of Taxes allocable to a Pre-Closing Tax Period, the non-payment of which would result in the Buyers becoming liable for such Taxes to any Governmental Authority in the United States. For the avoidance of all doubt, the Estimated US Tax Liabilities shall, without limitation, include all Taxes for which a Buyer shall become liable, allocable to a Pre-Closing Tax Period (using the procedures set forth in Section 9.5(a)) that began on or before the Closing Date and that will end after the Closing Date.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Intellectual Property” has the meaning set forth in Section 2.2(b).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Losses” means (a) punitive, speculative or exemplary damages, and (b) losses based on or attributable to lost revenues, lost earnings, multiples of earnings, multiples of revenues or other methodologies that may have been used in determining the Purchase Price; but excluding any of the foregoing Losses if they are claimed by a third party (which, for the avoidance of doubt, shall not include Buyers or any of their respective Affiliates) in connection with an indemnifiable claim under Section 10.2(a).

“Exhibits” means the Exhibits to the Agreement.

“Final Closing Canadian Working Capital Adjustment” means the amount by which the Closing Canadian Working Capital exceeds, or is exceeded by, the Estimated Canadian Working Capital.

“Final Closing US Working Capital Adjustment” means the amount by which the Closing US Working Capital exceeds, or is exceeded by, the Estimated US Working Capital.

“Financial Statements” has the meaning set forth in Section 4.6.

“Fixed Assets” means all machinery, equipment, furniture, furnishings, and other tangible personal property classified as fixed assets owned by a Seller and used in the Business.

“GAAP” means United States generally accepted accounting principles, consistently applied.

“Governmental Authority” means any nation or government, any state, provincial, territorial or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, without limitation, any governmental authority, quasi-governmental, agency, department, board, commission or instrumentality of the United States, any state of the United States, Canada, any province or territory of Canada, or any political subdivision thereof, any tribunal or arbitrator(s) of competent jurisdiction and any self-regulatory organization.

“Hazardous Activity” means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Material into the environment and any other act, business, operation or thing that constitutes a threat of Release, or poses an unreasonable risk of harm to any Person or property or the environment.

“Hazardous Materials” means any substance, material or waste that is regulated by any federal, state, territorial, provincial, municipal or local Governmental Authority, including, without limitation, any material or substance that is (a) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste” or

“restricted hazardous waste” under any provision of any Applicable Law, (b) petroleum, (c) asbestos, (d) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251, et seq. (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), (e) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903), or (f) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq. (42 U.S.C. § 9601). Any reference in the definition of Hazardous Materials to statutory or regulatory sections shall be deemed to include any amendments thereto and any successor sections.

“Hired Employees” has the meaning set forth in Section 6.1(a).

“Indemnification Offset” has the meaning set forth in Section 10.4.

“Interim Financial Statements” has the meaning set forth in Section 4.6.

“Interim Hearing” has the meaning set forth in Section 11.1.

“Interim Order” has the meaning set forth in Section 11.1.

“Interim Recognition Order” has the meaning set forth in Section 11.1.

“IRS” means the Internal Revenue Service.

“ITA” means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of such Person or is disclosed on any Schedule to the Agreement.

“License Agreement” has the meaning set forth in Section 7.3.

“Loss” means claims, losses, Liabilities, damages, deficiencies, costs and expenses, including without limitation, losses resulting from the defense, settlement and/or compromise of a claim and/or demand and/or assessment, reasonable outside attorneys’, accountants and expert witnesses’ fees, costs and expenses of investigation, and the costs and expenses of recouping such losses.

“Material Adverse Effect on the Business” means any material adverse change in, or material adverse effect on, the assets, liabilities, business or operations of the Transferred Assets or the Business taken as a whole, or in either Seller’s ability to perform its obligations under the Transaction Documents other than changes, events or occurrences (a) generally affecting the Sellers’ industry in the United States, Canada, or

in a specific geographic area in which the Sellers operate, (b) generally affecting the economy, or financial or capital markets, in the United States or elsewhere in the world, including changes in interest or exchange rates or the availability of capital, or (c) arising out of, resulting from or attributable to (i) changes in Law or regulation or in generally accepted accounting principles or in accounting standards, or changes in general legal, regulatory or political condition, (ii) the negotiations, execution, announcement or performance of any agreement between the Sellers and/or their Affiliates, on the one hand, and the Buyers and/or their Affiliates, on the other hand, or the consummation of the transactions contemplated hereby or operating performance or reputational issues arising out of or associated with the Bankruptcy Cases, including the impact thereof on relationships, contractual or otherwise, with customers, obligors, brokers, suppliers, distributors, partners or employees related to the execution or performance of this Agreement or the transactions contemplated hereby, including, without limitation, any developments in the Bankruptcy Cases, (iii) any action taken by the Sellers or their Subsidiaries as contemplated or permitted by any agreement between the Sellers and/or their Affiliates, on the one hand, and the Buyers and/or their Affiliates, on the other hand; or (iv) any failure to meet revenue or earnings projections, forecasts, estimates or guidance for any period, whether relating to financial performance or business metrics, including, without limitation, revenues, net incomes, cash flows or cash positions; provided, however, that any change, event or occurrence referred to in clauses (a) or (b) immediately above shall be taken into account in determining whether a Material Adverse Effect on the Business has occurred or could reasonably be expected to occur to the extent that such change, event or occurrence has a disproportionate effect on the Business compared to other participants in the industries in which the Sellers conduct the Business.

“Material Adverse Effect on Buyer” has the meaning set forth in Section 5.4.

“Minimum Overbid” has the meaning set forth in Section 11.5(b).

“Names” has the meaning set forth in Section 7.2.

“Nexicore” has the meaning set forth in the Preamble.

“Nexicore Payment” has the meaning set forth in Section 3.2(c).

“Occupational Health and Safety Law” means any law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, including the Occupational Safety and Health Act, and any program, whether governmental or private, designed to provide safe and healthful working conditions.

“Operating Income” has the meaning set forth in Section 3.5(i).

“Operating Income Calculation” has the meaning set forth in Section 3.5(d).

“Order” means any writ, judgment, decree, injunction or similar order of any Governmental Authority (in each such case whether preliminary or final).

“Outside Date” has the meaning set forth in Section 14.1(a).

“Parent” has the meaning set forth in the Preamble.

“Parent Payment” has the meaning set forth in Section 3.2(c).

“Permits” has the meaning set forth in Section 4.9.

“Person” means any natural person, firm, partnership, association, corporation, company, limited liability company, trust, business trust, Governmental Authority or other entity.

“Post-Closing Tax Period” means any Tax period beginning after the end of the Closing Date and, with respect to any period beginning on or before the Closing Date and ending after the Closing Date, the portion of such period beginning after the end of the Closing Date.

“Pre-Closing Tax Period” means any Tax period ending on or before the end of the Closing Date and, with respect to any Tax period beginning on or before the Closing Date and ending after the Closing Date, the portion of such period ending on the end of the Closing Date.

“Protest Notice” has the meaning set forth in Section 3.5(f).

“Purchase Price” has the meaning set forth in Section 3.2(a).

“Qualified Bid(s)” has the meaning set forth in Section 11.5.

“Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Release” means any release, spill, emission, leak, pumping, pouring, dumping, emptying, injection, deposit, disposal, discharge, dispersal, leaching, or migration on or into the indoor or outdoor environment or into or out of any property.

“Remittance Date” has the meaning set forth in Section 9.5(g)(iv).

“Required Amount” has the meaning set forth in Section 9.5(g)(viii).

“Sale Hearing” has the meaning set forth in Section 11.1.

“Sale Order” has the meaning set forth in Section 11.1.

“Sale Recognition Order” has the meaning set forth in Section 11.1.

“Schedule” means the Schedules to the Agreement, including but not limited to sections of the Disclosure Schedule.

“Seller Pro Rata Share” means each Seller’s pro rata share of the Transferred Assets, represented by, in the case of Nexicore, 8% of the value of U.S. Assets, and in the case of Parent, the sum of (i) 92% of the value of the U.S. Assets and (ii) 100% of the value of the Canadian Assets, as set forth in the Asset Allocations pursuant to Section 3.3(a).

“Seller(s)” has the meaning set forth in the Preamble.

“Sellers’ Knowledge” (or other words to that effect) means the knowledge of Brian Mittman, Jo Lamoreaux, Richard Levin, Ron Brinckerhoff, and Randy Hodgson after due inquiry.

“Sellers’ Tax Contest” has the meaning set forth in Section 9.5(d).

“Subsidiary” means and refers to any corporation, association or other business entity of which more than fifty (50) percent of the issued and outstanding shares of capital stock or equity interests is owned or controlled, directly or indirectly, by a Seller or a Buyer, as the case may be, and in which a Seller or a Buyer, as the case may be, has the power, directly or indirectly, to elect a majority of the directors.

“Survival Period” has the meaning set forth in Section 10.1.

“Target Canadian Working Capital” means One Million Five Hundred Thousand Dollars (\$1,500,000).

“Target US Working Capital” means Nine Million Eight Hundred Thousand Dollars (\$9,800,000).

“Tax Data” has the meaning set forth in Section 9.5(c).

“Tax Documentation” has the meaning set forth in Section 9.5(c).

“Tax Proceeding” has the meaning set forth in Section 9.5(d).

“Tax Return” means any return, report, declaration, form, claim for refund or information return or statement required to be filed with any Governmental Authority relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Tax(es)” means any federal, state, provincial, territorial, municipal, county, local, and foreign taxes, (including, without limitation, Canadian taxes) charge, fee, levy, impost, duty, or other assessment in the nature of tax, including income, capital, gross receipts, excise, employment, sales, use, transaction privilege, goods and services, harmonized sales, unclaimed property, escheat, transfer, recording, license, payroll, franchise, severance, documentary, stamp, occupation, windfall profits, environmental, highway use, commercial rent, customs duty, capital stock, paid-up capital, profits, withholding, Social Security, single business, unemployment, disability, real property, personal property, registration, ad valorem, value added, alternative or add-on minimum,

estimated, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by any Governmental Authority, including any estimated payments relating thereto, any interest, penalties, and additions imposed thereon or with respect thereto, and including liability for taxes of another Person under Treas. Reg. Section 1.1502-6 or similar provision of state, local or foreign law, or as a transferee or successor, by contract or otherwise.

“Termination Date” has the meaning set forth in Section 14.1.

“Transaction Documents” means the Agreement, the Escrow Agreement, the Canadian Tax Escrow Agreement, if required pursuant to Section 9.5(g), the License Agreement, the Employment Agreements and the other documents and instruments contemplated by the Agreement to be delivered at the Closing.

“Transfer Taxes” has the meaning set forth in Section 9.4(c)(i).

“Transferred Assets” means, collectively, the US Assets and the Canadian Assets.

“Transferred Facilities” means the offices and facilities used in whole or in part, by the Business as of the date of the Agreement that are listed on Schedule 2.1(o)(i) and 2.1(o)(ii).

“Transferred Intellectual Property” means all worldwide intellectual property owned, used, held for use, or licensed (as licensor or licensee) by a Seller that are necessary to or useful in the conduct of the Business, as presently conducted or as presently proposed to be conducted, including, without limitation, (a) all patents, patent applications, invention disclosures and inventions and discoveries, whether or not patentable and whether or not reduced to practice, improvements thereto, and other rights of invention; (b) brand marks, brand names, registered and unregistered trademarks, service marks, trade names, trade dress, logos, product names and slogans, including any common law rights, registrations and applications for the foregoing; (c) copyrightable works, website content, all registered and unregistered copyrights in both published works and unpublished works, other rights of authorship and exploitation, moral rights and any applications, registrations and renewals in connection therewith; (d) all rights in mask works; (e) all know-how, trade secrets, confidential or proprietary information, customer lists, financial information, business information, technical information, data, process technology, plans, drawings and blue prints; (f) all software; (g) all rights in internet web sites and internet domain names presently used by either Seller in connection with the Business; and (h) rights to exclude others from appropriating any of such Transferred Intellectual Property, including the right to sue for and remedies against past, present and future infringements of any or all of the foregoing and rights of priority and protection of interests therein, and any other proprietary, intellectual property and other rights relating to any or all of the foregoing anywhere in the world, other than the Excluded Intellectual Property, as listed on Schedule 2.1(c)(i) and Schedule 2.1(c)(ii).

“US Acceptance Notice” has the meaning set forth in Section 3.4(a)(iii).

“US Assets” means all properties, assets, contracts and rights of each Seller used in the US Business, other than the Excluded Assets, including, without limitation, the following (with each asset owned by Parent listed in a schedule referenced below being identified as belonging to Parent):

- (a) all of the Fixed Assets listed on Schedule 2.1(a)(ii);
- (b) all accounts receivables specific to the US Business, whether billed or unbilled, as such receivables exist and have been added to or otherwise modified up to the Closing Date;
- (c) all rights in respect of the Transferred Intellectual Property specific to US Business listed on Schedule 2.1(c)(ii);
- (d) all of the Assumed Contracts listed on Schedule 2.1(d)(ii);
- (e) all inventories (including all finished goods, goods in transit, work-in-process, raw materials, spare parts and all other materials and supplies held for, to be used or intended to be used by or consumed by a Seller in the production of finished goods), office and other supplies located at the Transferred Facilities listed on Schedule 2.1(o)(ii) or specific to the US Business;
- (f) all of the prepaid expenses and security deposits relating the US Business reflected on the final Closing US Working Capital Statement or that relate to any of the Assumed Contracts listed in Schedule 2.1(d)(ii);
- (g) all of the Books and Records relating to the US Business;
- (h) to the extent permitted under Applicable Law, all Consents and Permits specific to the Transferred Facilities listed on Schedule 2.1(o)(ii), the US Assets or the US Business, including without limitation the Consents and Permits set forth on Schedule 2.1(h)(ii);
- (i) to the extent transferable, all rights under express or implied warranties from, or rights against, a Seller’s suppliers with respect to the US Assets, the US Business or the Assumed Contracts listed on Schedule 2.1(d)(ii);
- (j) all insurance benefits or proceeds, including rights and proceeds, arising from or relating to the US Assets, the US Business or the Assumed Liabilities prior to the Closing;
- (k) all rights to causes of action, lawsuits, claims and demands of any nature available to a Seller that are specific to the US Assets, the Assumed Liabilities related to the US Business or, otherwise, to the US Business, other than avoidance actions under the Bankruptcy Code;

(l) to the extent transferable, all guarantees, warranties, indemnities, bonds, letters of credit and similar arrangements that run in favor of a Seller related to the US Assets or the US Business;

(m) additional assets relating to the US Business arising in the ordinary course of business between the date hereof and the Closing Date reflected on the final Closing Working Capital Statement;

(n) each Seller's rights and interests under all outstanding purchase orders entered into by each Seller for the purchase of goods or services specific to the US Business;

(o) all rights and interests of each Seller with respect to the Transferred Facilities listed on Schedule 2.1(o)(ii); and

(p) to the extent transferable and specific to the US Business, all other or additional privileges, rights, interests, properties and assets of each Seller of every kind and description and wherever located, including without limitation the real estate leases listed on Schedule 2.1(p)(ii), that are used or intended for use in connection with, or that are necessary to the continued conduct of, the US Business as presently being conducted.

"US Business" means the business of providing depot repair services, onsite installation and repair services and parts distribution and repair services as conducted by Nexicore and Parent on the Closing Date in the United States of America and Puerto Rico, but for the avoidance of all doubt expressly excluding the hardware business conducted by Parent's Subsidiary Hartford Computer Hardware, Inc. and its Subsidiary, Hartford Computer Government, Inc.

"US Buyer" has the meaning set forth in the Preamble.

"US Escrow Amount" means One Million Three Hundred Thousand Dollars (\$1,300,000).

"US Objection Notice" has the meaning set forth in Section 3.4(a)(iii).

"US Transfer Taxes" has the meaning set forth in Section 9.4(b)(i).

"US Working Capital" means (a) Current Assets of the US Business less (b) Current Liabilities of the US Business, in each case attributable to the US Assets.

"US Working Capital Offset" has the meaning set forth in Section 3.4(a)(v).

"Withheld Amount" has the meaning set forth in Section 9.5(g)(iii).

"Year-End Financial Statements" has the meaning set forth in Section 4.6.

ARTICLE 2 SALE AND PURCHASE OF THE ASSETS

Section 2.1 Transferred Assets. Subject to and upon the terms and conditions set forth in this Agreement, at the Effective Time:

(a) Each Seller shall sell, assign, transfer, convey and deliver to US Buyer and US Buyer shall purchase and acquire from the Sellers, all right, title and interest of each Seller in and to the US Assets.

(b) Each Seller shall sell, assign, transfer, convey and deliver to Canadian Buyer and Canadian Buyer shall purchase and acquire from the Sellers, all right, title and interest of each Seller in and to the Canadian Assets. For the avoidance of doubt, the Sellers confirm that all of the Canadian Assets are owned by Parent.

Section 2.2 Excluded Assets. Notwithstanding anything contained in Section 2.1 hereof to the contrary, the Transferred Assets do not include any of the following (herein referred to collectively as the “Excluded Assets”):

(a) all cash and cash equivalents, including, without limitation, any cash collateral for outstanding letters of credit;

(b) subject to Section 7.3, the names and marks “Hartford Computer Group” and any name or mark derived from or including the foregoing, including all corporate symbols or logos incorporating “Hartford Computer Group” (the “Excluded Intellectual Property”);

(c) all minute books, stock Records and corporate seals;

(d) all shares of Nexicore, Hartford Computer Hardware, Inc. and Hartford Computer Government, Inc.;

(e) the shares of capital stock of either Seller held in treasury;

(f) all real property;

(g) all causes of action, claims, demands, rights and privileges against third parties to the extent related to any of the Excluded Liabilities or other Excluded Assets;

(h) all Contracts that are not Assumed Contracts;

(i) all personnel Records and other Records that either Seller is required by Applicable Law to retain in its possession (provided, that to the extent permitted by Applicable Law, such Seller shall make copies thereof available to the Buyers upon their request);

(j) all Tax Returns of each Seller (provided, that where any Tax Returns are required by the Buyers for the purposes of Section 9.4 or Section 9.5, in which case the Sellers shall make copies thereof available to the Buyers upon their reasonable request);

(k) all claims for refunds of Taxes, to the extent that such Tax relates to an Excluded Liability;

(l) all causes of action that constitute property of the Sellers' bankruptcy estate pursuant to chapter 5 of the Bankruptcy Code;

(m) all rights in connection with the assets of the Benefit Plans;

(n) all intercompany payables and receivables between Nexicore or Parent, on the one hand, and any of their respective Subsidiaries, on the other hand;

(o) all assets related to Parent's Maryland division which is in the business of providing IT solutions combining hardware, software and services, including, without limitation, those assets set forth on Schedule 2.2(o);

(p) all rights of each Seller under the Transaction Documents; and

(q) any asset that US Buyer or Canadian Buyer elects to exclude by listing it on Schedule 2.2(q).

Section 2.3 Assumption of Liabilities. Upon the terms and subject to the conditions contained herein, at the Closing, Canadian Buyer and US Buyer shall each severally assume the obligations and liabilities of each Seller accruing, arising out of, or relating to the Transferred Assets (collectively, the "Assumed Liabilities"), other than the Excluded Liabilities, including

(a) accrued liabilities constituting ordinary course liabilities of the Business incurred in the operation of the Business between commencement of the Bankruptcy Case and the Closing Date attributable to the US Assets or Canadian Assets;

(b) pre-Closing performance obligations and all post-Closing obligations of the Sellers under the Assumed Contracts, but excluding any obligations or liability for any breach of any such Assumed Contract occurring on or prior to the Closing Date, other than all payments required to be made pursuant to Section 365(b)(i) of the Bankruptcy Code, whether necessary to cure defaults or otherwise allow the Sellers' assumption and assignment of the Assumed Contracts to the Buyers; and

(c) any and all Liabilities arising out of or related to actions taken by the Buyers or any of their Affiliates with respect to the employment of any Hired Employee following the Closing Date, including Liabilities relating to (i) the termination by either of the Buyers or any of their Affiliates of any Hired Employees following the Closing, including any Liabilities to Hired Employees pursuant to the WARN Act to the extent relating to events occurring after the Closing; or (ii) any obligation to pay severance to any Hired Employee arising because of termination of employment by either of the Buyers or any of their Affiliates following the Closing.

Section 2.4 Excluded Liabilities. It is expressly understood and agreed that, except for the Assumed Liabilities, no Buyer shall be responsible for nor assume or be liable in any manner, directly or indirectly, for any of the debts, obligations, claims or Liabilities of either

Seller, of any kind or nature whatsoever, whether known or unknown, fixed, contingent or absolute, accrued, or otherwise (the “Excluded Liabilities”). The Sellers shall be responsible for their respective liabilities, obligations and undertakings that are not expressly assumed by a Buyer pursuant to Section 2.3, and shall discharge such liabilities, obligations and undertakings or make provision therefore. Without limiting the generality of the foregoing, Excluded Liabilities include without limitation the following:

(a) any Liability for (i) Taxes of the Sellers or any member of any consolidated, affiliated, combined or unitary group of which Parent or Nexicore is or has been a member, for any Tax period, (ii) Taxes related to the operation of the Business for any Pre-Closing Tax Period or (iii) subject to Section 9.4(c), Transfer Taxes;

(b) except as provided in Section 2.3, indebtedness for borrowed money relating to the conduct of the Business for all periods prior to Closing;

(c) Liabilities arising directly out of the Excluded Assets;

(d) intercompany payables and receivables between Nexicore or Parent and any of their respective Affiliates;

(e) payroll obligations (including any accrued but unpaid vacation entitlements of employees) of the Business in respect of periods prior to and including the Closing Date;

(f) accrued but unpaid vacation for all Employees;

(g) Liabilities and obligations under the Benefit Plans;

(h) Liabilities and obligations under any employment agreement, or arising out of the employment relationship, between a Seller and an Employee;

(i) the Liabilities, if any, listed on Schedule 2.4;

(j) any Liability arising out of violations of any Applicable Law occurring or existing on or before the Closing Date or arising out of any events, actions or omissions occurring or existing on or before the Closing Date;

(k) any Liability arising out of or relating to any products or services of a Seller, to the extent manufactured, sold or performed on or before the Closing Date, including, without limitation, liability for personal injury, death or property damage in connection with product liability claims;

(l) any Liabilities relating to bankruptcy and transaction expenses of either Seller;

(m) any Liability that is not related to, or was not incurred in connection with, the Business; and

- (n) any account payable other than the Accounts Payable.

ARTICLE 3 THE CLOSING

Section 3.1 Place and Date. The closing of the sale and purchase of the Transferred Assets (the “Closing”) and the assumption of the Assumed Liabilities shall take place by facsimile transmission or by electronic mail in PDF format of all required documents (with the original executed documents to be delivered by overnight courier) to the offices of Katten Muchin Rosenman LLP, 525 W. Monroe Street, Chicago, Illinois 60661 at 10:00 a.m. local time on the Business Day mutually agreed by the Buyers and the Sellers and on or before which the conditions referred to in Article 12 and Article 13 shall have been satisfied or waived. The day on which the Closing actually occurs is sometimes referred to herein as the “Closing Date.” Notwithstanding the actual time of Closing on the Closing Date, the Closing shall be deemed to have occurred as of 11:59 p.m., local time, on the day of the Closing (the “Effective Time”).

Section 3.2 Payment Terms.

(a) Upon the terms and subject to the conditions set forth in this Agreement, including, without limitation, the requirement to withhold a portion of the Purchase Price as set forth in Section 9.5(g), the Buyers will pay to the Sellers or their respective designees, an aggregate amount of consideration (the “Purchase Price”) equal to:

(i) Thirty Five Million Five Hundred Thousand Dollars (\$35,500,000) cash, as adjusted pursuant to Section 3.4(a)(i) and Section 3.4(b)(i), as applicable (the “Cash Payment”);

(ii) plus or minus the Final Closing US Working Capital Adjustment, as calculated pursuant to the terms of Section 3.4(a);

(iii) plus or minus the Final Closing Canadian Working Capital Adjustment, as calculated pursuant to the terms of Section 3.4(b);

(iv) plus the Earnout Amounts, if any, as determined pursuant to the terms of Section 3.5; and

(v) plus the amount of the Assumed Liabilities, as determined pursuant to Section 3.3.

(b) Subject to Section 9.5(g), the Buyers shall pay the Purchase Price as follows:

(i) On the Closing Date (the “Closing Cash Payment”) as follows:

(A) the Cash Payment;

(B) plus or minus the Estimated Closing US Working Capital Adjustment (as calculated pursuant to the terms of Section 3.4(a)(i));

(C) plus or minus the Estimated Closing Canadian Working Capital Adjustment (as calculated pursuant to the terms of Section 3.4(b)(i));

(D) less the US Escrow Amount; and

(E) less the Canadian Escrow Amount.

(ii) on the Closing Date by the assumption of the Assumed Liabilities pursuant to Section 3.3;

(iii) following the Closing Date, US Buyer shall pay the Final Closing US Working Capital Adjustment, if any, as determined pursuant to the terms of Section 3.4(a) and in accordance with Section 3.2(e);

(iv) following the Closing Date, Canadian Buyer shall pay the Final Closing Canadian Working Capital Adjustment, if any, as determined pursuant to the terms of Section 3.4(b) and in accordance with Section 3.2(e); and

(v) following the Closing Date, the Earnout Amounts, if any, pursuant to the terms of Section 3.5.

(c) The amounts payable to the Sellers pursuant to Section 3.2(b) shall be divided between Nexicore and Parent based on their respective Seller Pro Rata Share of such amounts (each such payment to Nexicore, a "Nexicore Payment" and each such payment to Parent, a "Parent Payment").

(d) On the Closing Date, US Buyer and Canadian Buyer shall pay the Nexicore Payment and the Parent Payment attributable to the Closing Cash Payment based on their respective Buyer Pro Rata Tentative Share of such amounts in immediately available funds by wire transfer to an account or accounts specified by Parent in a writing delivered to the Buyers at least three (3) Business Days prior to the Closing Date.

(e) On the Closing Date, US Buyer and Canadian Buyer shall pay the US Escrow Amount and the Canadian Escrow Amount, respectively, to the Escrow Agent in immediately available funds by wire transfer for deposit into an escrow account established under the Escrow Agreement. Subsequent to the Closing Date, the US Escrow Amount and the Canadian Escrow Amount will be used (i) to effectuate the Buyer Share True-Up; (ii) to make the Final Closing US Working Capital Adjustment pursuant to the terms of Section 3.4(a); and (iii) to make the Final Closing Canadian Working Capital Adjustment pursuant to the terms of Section 3.4(b), all in accordance with the terms of this Agreement and the Escrow Agreement.

Section 3.3 Allocation of Purchase Price.

(a) No later than thirty-five (35) days after the date hereof, the Buyers shall prepare and deliver to Sellers a draft allocation of the Purchase Price, together with the Assumed Liabilities and other relevant items (i) among the US Assets (including the various categories of assets) for purposes of United States federal income tax purposes in accordance with Code Section 1060 and the Treasury Regulations promulgated thereunder; and (ii) among the Canadian Assets (including the various categories of assets) for Canadian federal income tax purposes in accordance with the ITA (the "Asset Allocations"). Sellers shall have five days following receipt of the draft Asset Allocations to review and provide comments to Buyers, and Buyers shall review such comments in good faith and incorporate such comments as Buyers deem appropriate, in their reasonable discretion, and such final Asset Allocations shall be binding upon the Sellers.

(b) The Buyers shall be entitled to reasonably revise the Asset Allocations, in accordance with Code Section 1060, the regulations promulgated thereunder and the ITA, to appropriately take into account any payments made under this Agreement treated as an adjustment to the consideration for United States or Canadian federal income tax purposes, including without limitation, the payment of (i) the Final Closing US Working Capital Adjustment, if any; (ii) the Final Closing Canadian Working Capital Adjustment, if any; and (iii) any Earnout Amounts. The Buyers shall promptly provide Parent with any revisions to the allocation required pursuant to Section 3.3(a).

(c) The Buyers and the Sellers will each file all Tax Returns (including, but not limited to, IRS Forms 8594 and all prescribed forms for the purposes of the ITA) consistent with the Asset Allocations (including any adjustment thereto made pursuant to Section 3.3(b)). The Sellers, on the one hand, and the Buyers, on the other hand, agree to provide the other promptly with any other information required to complete IRS Forms 8594 and the relevant forms under the ITA. Neither the Buyers nor the Sellers shall take any Tax position inconsistent with the Asset Allocations (including any adjustment thereto made pursuant to Section 3.3(b)) and neither the Buyers nor the Sellers shall agree to any proposed adjustment of the Asset Allocations based upon or arising out of the allocation by any Governmental Authority without first giving the other party reasonable prior written notice.

(d) For the avoidance of doubt, the Buyers and the Sellers acknowledge and agree that the value attributable to the assumption of the Assumed Liabilities shall be the amount allocated thereto pursuant to this Section 3.3 and that no further amount shall be attributed to the assumption of the Assumed Liabilities hereunder.

Section 3.4 Working Capital Adjustments.

(a) United States Working Capital Adjustment.

(i) On or before a date not less than three (3) Business Days prior to the Closing Date, Parent shall prepare and deliver to US Buyer a statement (the "Estimated Closing US Working Capital Statement") of the estimated US Working Capital as of the Closing Date (the "Estimated Closing US Working

Capital"). The Estimated Closing US Working Capital Statement (A) will be prepared in good faith; (B) will determine the Estimated Closing US Working Capital on a basis consistent with the line items and methodology set forth on Exhibit A; (C) will determine the Estimated US Tax Liabilities consistent with past practice; and (D) will not include any changes in assets or liabilities as a result of purchase accounting adjustments arising from or resulting as a consequence of the Contemplated Transactions. If the Estimated Closing US Working Capital is (x) greater than the Target US Working Capital, then the Closing Cash Payment to be paid by US Buyer shall be increased by the amount of such excess on a dollar for dollar basis or (y) less than the Target US Working Capital, then the Closing Cash Payment to be paid by US Buyer shall be decreased by the amount of such shortfall on a dollar for dollar basis (the amount payable pursuant to either subsection (x) or (y) above, the "Estimated Closing US Working Capital Adjustment").

(ii) Within the sixty (60) day period following the Closing Date, Parent shall prepare and deliver to US Buyer a statement of the US Working Capital (the "Closing US Working Capital Statement") as of the Closing Date (the "Closing US Working Capital"). The Closing US Working Capital Statement (A) will be prepared in good faith; (B) will determine the Closing US Working Capital on a basis consistent with the line items and methodology set forth on Exhibit A; (C) will update and re-determine the Estimated US Tax Liabilities using the latest available information; and (D) will not include any changes in assets or liabilities as a result of purchase accounting adjustments arising from or resulting as a consequence of the Contemplated Transactions. Parent shall make the work papers and back up materials used in preparing the Closing US Working Capital Statement, and the books, records and financial staff of Parent, available to US Buyer at reasonable times and upon reasonable notice at any time during (x) the review by US Buyer of the Closing US Working Capital Statement and (y) the resolution by the parties of any objections thereto.

(iii) Within twenty (20) days following Parent's delivery of the Closing US Working Capital Statement to US Buyer, US Buyer shall give Parent a written notice stating either (A) the acceptance, without objection, of the Closing US Working Capital Statement and the Closing US Working Capital (an "US Acceptance Notice") or (B) the objections to the Closing US Working Capital Statement and Parent's determination of the Closing US Working Capital (a "US Objection Notice"). If US Buyer delivers a US Objection Notice, such notice shall describe the nature of any such disagreement in reasonable detail, identify the specific items involved and the dollar amount of each such disagreement and provide reasonable supporting documentation for each such disagreement. After the end of such twenty (20) day period, neither US Buyer nor Parent may introduce additional disagreements with respect to any item in the Closing US Working Capital Statement or increase the amount of any disagreement, and any item not so identified shall be deemed to be agreed to by the parties and will be final and binding. If US Buyer gives Parent a US Acceptance Notice or does not give Parent a US Objection Notice within such twenty (20) day period, then the

Closing US Working Capital Statement will be conclusive and binding upon the parties.

(iv) If US Buyer and Parent do not resolve all disagreements properly identified in the US Objection Notice within thirty (30) days after delivery to Parent of the US Objection Notice, then such disagreements shall be submitted for final and binding resolution to the accounting firm of PriceWaterhouseCoopers (the “Accounting Arbitrator”). The Accounting Arbitrator must resolve the matter in accordance with the terms and provisions of this Agreement and shall select either the position of US Buyer or Parent as a resolution for each item or amount disputed and may not impose an alternative resolution with respect to any item or amount disputed. The Accounting Arbitrator shall make its determination based solely on presentations and supporting material provided by the parties and not pursuant to any independent review. The determination of the Closing US Working Capital by the Accounting Arbitrator shall be final and binding. The fees of the Accounting Arbitrator shall be borne on a proportionate basis by the Sellers, on the one hand, and the Buyers, on the other hand, based on the inverse proportion of the respective percentages of the dollar value of disputed issues determined in favor of the Sellers and the Buyers.

(v) If the Closing US Working Capital, as determined pursuant to Section 3.4(a)(iii) or (iv) above, is (A) greater than the Estimated Closing US Working Capital, then US Buyer shall (I) pay the entire amount of the difference to the Sellers in accordance with Section 3.4(a)(vi); and (II) the Escrow Agent shall release the US Escrow Amount to the Sellers (after taking into account the Buyer Share True-Up, if any); or (B) less than the Estimated Closing US Working Capital, then the Escrow Agent shall release the US Escrow Amount (after taking into account the Buyer Share True-Up, if any) less the amount by which the Closing US Working Capital is less than the Estimated Closing US Working Capital to the Sellers in accordance with Section 3.4(a)(vi) and shall release the balance of the US Escrow Amount to the US Buyer. Notwithstanding the foregoing, if the Closing US Working Capital is less than the Estimated US Working Capital by an amount which is in excess of the US Escrow Amount (after taking into account the Buyer Share True-Up, if any), then the US Buyer may, in its sole discretion, offset the payment of any Earnout Amount being made by the US Buyer to the Sellers pursuant to Section 3.5 by the amount of such excess (the “US Working Capital Offset”).

(vi) US Buyer shall make the Final Closing US Working Capital Adjustment payment to the Sellers, if required pursuant to the terms of Section 3.4(a)(v), in accordance with their respective Seller Pro Rata Shares in immediately available funds by wire transfer to an account or accounts specified by Parent in a writing delivered to US Buyer at least three (3) Business Days prior to making such payment. Payment shall be made by US Buyer not more than 10 Business Days following the determination of the Closing US Working Capital pursuant to Section 3.4(a)(iii) or (iv).

(b) Canadian Working Capital Adjustment.

(i) On or before a date not less than three (3) Business Days prior to the Closing Date, Parent shall prepare and deliver to Canadian Buyer a statement (the "Estimated Closing Canadian Working Capital Statement") of the estimated Canadian Working Capital as of the Closing Date (the "Estimated Closing Canadian Working Capital"). The Estimated Closing Canadian Working Capital Statement (A) will be prepared in good faith; (B) will determine the Estimated Closing Canadian Working Capital on a basis consistent with the line items and methodology set forth on Exhibit A; (C) will determine the Estimated Canadian Tax Liabilities consistent with past practice; and (D) will not include any changes in assets or liabilities as a result of purchase accounting adjustments arising from or resulting as a consequence of the Contemplated Transactions. If the Estimated Closing Canadian Working Capital is (x) greater than the Target Canadian Working Capital, then the Closing Cash Payment to be paid by Canadian Buyer shall be increased by the amount of such excess on a dollar for dollar basis or (y) less than the Target Canadian Working Capital, then the Closing Cash Payment to be paid by Canadian Buyer shall be decreased by the amount of such shortfall on a dollar for dollar basis (the amount payable pursuant to either subsection (x) or (y) above, the "Estimated Closing Canadian Working Capital Adjustment").

(ii) Within the sixty (60) day period following the Closing Date, Parent shall prepare and deliver to Canadian Buyer a statement of the Canadian Working Capital (the "Closing Canadian Working Capital Statement") as of the Closing Date (the "Closing Canadian Working Capital"). The Closing Canadian Working Capital Statement (A) will be prepared in good faith; (B) will determine the Closing Canadian Working Capital on a basis consistent with the line items and methodology set forth on Exhibit A; (C) will update and re-determine the Estimated Canadian Tax Liabilities using the latest available information and (D) will not include any changes in assets or liabilities as a result of purchase accounting adjustments arising from or resulting as a consequence of the Contemplated Transactions. Parent shall make the work papers and back up materials used in preparing the Closing Canadian Working Capital Statement, and the books, records and financial staff of Parent, available to Canadian Buyer at reasonable times and upon reasonable notice at any time during (x) the review by Canadian Buyer of the Closing Canadian Working Capital Statement and (y) the resolution by the parties of any objections thereto.

(iii) Within twenty (20) days following Parent's delivery of the Closing Canadian Working Capital Statement to Canadian Buyer, Canadian Buyer shall give Parent a written notice stating either (A) the acceptance, without objection, of the Closing Canadian Working Capital Statement and the Closing Canadian Working Capital (a "Canadian Acceptance Notice") or (B) the objections to the Closing Canadian Working Capital Statement and Parent's determination of the Closing Canadian Working Capital (a "Canadian Objection Notice"). If Canadian Buyer delivers a Canadian Objection Notice, such notice shall describe the nature of any such disagreement in reasonable detail, identify the specific items involved

and the dollar amount of each such disagreement and provide reasonable supporting documentation for each such disagreement. After the end of such twenty (20) day period, neither Canadian Buyer nor Parent may introduce additional disagreements with respect to any item in the Closing Canadian Working Capital Statement or increase the amount of any disagreement, and any item not so identified shall be deemed to be agreed to by the parties and will be final and binding. If Canadian Buyer gives Parent a Canadian Acceptance Notice or does not give Parent a Canadian Objection Notice within such twenty (20) day period, then the Closing Canadian Working Capital Statement will be conclusive and binding upon the parties.

(iv) If Canadian Buyer and Parent do not resolve all disagreements properly identified in the Canadian Objection Notice within thirty (30) days after delivery to Parent of the Canadian Objection Notice, then such disagreements shall be submitted for final and binding resolution to the Accounting Arbitrator. The Accounting Arbitrator must resolve the matter in accordance with the terms and provisions of this Agreement and shall select either the position of Canadian Buyer or Parent as a resolution for each item or amount disputed and may not impose an alternative resolution with respect to any item or amount disputed. The Accounting Arbitrator shall make its determination based solely on presentations and supporting material provided by the parties and not pursuant to any independent review. The determination of the Closing Canadian Working Capital by the Accounting Arbitrator shall be final and binding. The fees of the Accounting Arbitrator shall be borne on a proportionate basis by the Sellers, on the one hand, and the Buyers, on the other hand, based on the inverse proportion of the respective percentages of the dollar value of disputed issues determined in favor of the Sellers and the Buyers.

(v) If the Closing Canadian Working Capital, as determined pursuant to Section 3.4(b)(iii) or (iv) above, is (A) greater than the Estimated Closing Canadian Working Capital, then Canadian Buyer shall (I) pay the entire amount of the difference to the Sellers in accordance with Section 3.4(b)(vi); and (II) the Escrow Agent shall release the Canadian Escrow Amount to the Sellers (after taking into account the Buyer Share True-Up, if any); or (B) less than the Estimated Closing Canadian Working Capital, then the Escrow Agent shall release the Canadian Escrow Amount (after taking into account the Buyer Share True-Up, if any) less the amount by which the Closing Canadian Working Capital is less than the Estimated Closing Canadian Working Capital to the Sellers in accordance with Section 3.4(b)(vi) and shall release the balance of the Canadian Escrow Amount to the Canadian Buyer. Notwithstanding the foregoing, if the Closing Canadian Working Capital is less than the Estimated Closing Canadian Working Capital by an amount which is in excess of the Canadian Escrow Amount (after taking into account the Buyer Share True-Up, if any), then the Canadian Buyer may, in its sole discretion, offset the payment of any Earnout Amount being made by the Canadian Buyer to the Sellers pursuant to Section 3.5 by the amount of such excess (the "Canadian Working Capital Offset").

(vi) Canadian Buyer shall make the Final Closing Canadian Working Capital Adjustment payment to the Sellers, if required pursuant to Section 3.4(a)(v), in accordance with their respective Seller Pro Rata Shares in immediately available funds by wire transfer to an account or accounts specified by Parent in a writing delivered to Canadian Buyer at least three (3) Business Days prior to making such payment. Payment shall be made by Canadian Buyer not more than 10 Business Days following the determination of the Closing Canadian Working Capital pursuant to Section 3.4(b)(iii) or (iv).

Section 3.5 Earnout.

(a) Subject to the terms contained in this Section 3.5, Buyers shall pay the Sellers, or Parent for distribution to the Sellers or their respective designees, in accordance with their respective Seller Pro Rata Shares, an aggregate amount (the “2012 Earnout Amount”) equal to:

(i) 6 multiplied by the Operating Income for calendar year 2012;

(ii) less the Cash Payment;

(iii) less the US Working Capital Offset, if any;

(iv) less the Canadian Working Capital Offset, if any;

(v) less the Indemnification Offset, if any; and

(vi) less any incremental amount above \$150,000, but not to exceed \$350,000 in the aggregate, for calendar year 2012 for allocations for services provided by the Buyers or their Affiliates to the Business or finance, legal, compliance, accounting or tax services provided by the Buyers or their Affiliates to the Business in order for the Business to comply with Applicable Law or policies of the Buyers.

(b) Subject to the terms contained in this Section 3.5, the Buyers shall pay the Sellers, or Parent for distribution to the Sellers or their respective designees, in accordance with Section 3.2(c), an aggregate amount (the “2013 Earnout Amount” and together with the 2012 Earnout Amount, the “Earnout Amounts”, and individually, an “Earnout Amount”) equal to:

(i) 5 multiplied by the Operating Income for calendar year 2013;

(ii) less the Cash Payment;

(iii) less the 2012 Earnout Amount;

(iv) less the US Working Capital Offset (to the extent not already deducted from the 2012 Earnout Amount), if any;

(v) less the Canadian Working Capital Offset (to the extent not already deducted from the 2012 Earnout Amount), if any;

(vi) less the Indemnification Offset (to the extent not already deducted from the 2012 Earnout Amount), if any; and

(vii) less any incremental amount above \$150,000, but not to exceed \$350,000 in the aggregate, for calendar year 2013 for allocations for services provided by the Buyers or their Affiliates to the Business or finance, legal, compliance, accounting or tax services provided by the Buyers or their Affiliates to the Business in order for the Business to comply with Applicable Law or policies of the Buyers.

(c) Notwithstanding the foregoing:

(i) the 2012 Earnout Amount due and payable to the Sellers shall not exceed an amount equal to: (A) Forty Nine Million Dollars (\$49,000,000); less (B) the Closing Cash Payment as adjusted by (I) the Final Closing US Working Capital Adjustment pursuant to Section 3.4(a)(v) (if not adjusted pursuant to Section 3.5(a)(iii)); and (II) the Final Closing Canadian Working Capital Adjustment pursuant to Section 3.4(b)(v) (if not adjusted pursuant to Section 3.5(a)(iv)); and

(ii) the 2013 Earnout Amount due and payable to the Sellers shall not exceed an amount equal to: (A) Fifty Five Million Dollars (\$55,000,000); less (B) the Closing Cash Payment as adjusted by (I) the Final Closing US Working Capital Adjustment pursuant to Section 3.4(a)(v) (if not adjusted pursuant to Section 3.5(b)(iv)); and (II) the Final Closing Canadian Working Capital Adjustment pursuant to Section 3.4(b)(v) (if not adjusted pursuant to Section 3.5(b)(v)); less (C) the 2012 Earnout Amount.

(d) Within five (5) business days of completion, and in any event no later than one hundred twenty (120) days following the last day of the applicable fiscal year, the Buyers shall promptly deliver to Parent in each of 2013 and 2014, following the completion by a nationally recognized independent certified public accountant of the audit of the US Business and Canadian Business' consolidated financial statements for the immediately preceding year (consisting of the consolidated balance sheet and related statements of income, retained earnings and cash flows of the US Business and the Canadian Business, prepared on an income tax accrual basis), (i) a copy of such financial statements and (ii) a calculation of the Operating Income for such year based on such financial statements (the "Operating Income Calculation").

(e) Within thirty (30) days after the end of each quarter during fiscal years 2012 and 2013, the Buyers shall promptly deliver to Parent (i) the quarterly financial statements for each of the US Business and Canadian Business for the immediately preceding three-months (consisting of the consolidated balance sheet and related statements of income of the US Business and the Canadian Business, prepared on an income tax accrual basis) and (ii) a

calculation of the Operating Income for such three-month period and year to date based on such financial statements.

(f) Following delivery of the Operating Income Calculation, the Buyers will give permission to the Buyers' auditors to make available to Parent the work papers and other back up materials used in preparing the financial statements delivered to Parent pursuant to Section 3.5(d), and will make available the books, records and financial staff of the Buyers to Parent at reasonable times and upon reasonable notice. Within twenty (20) days following delivery of the Operating Income Calculation as provided in Section 3.5(d), Parent may deliver written notice (a "Protest Notice") to the Buyers of any objections that the Sellers have to the Operating Income Calculation, setting forth in reasonable detail the basis of such objection together with the amount(s) in dispute. If Parent does not deliver a Protest Notice within such ten (10) day period, Sellers will be deemed to have accepted the Operating Income Calculation as determined by the Buyers. Parent may also accept the Operating Income Calculation as determined by the Buyers prior to the expiration of the prescribed time period by delivering a signed written statement to the Buyers indicating unconditional acceptance of the Operating Income Calculation.

(g) In the event Parent and the Buyers are unable to agree on the Operating Income Calculation and the applicable Earnout Amount following therefrom within thirty (30) days after Parent receives the Operating Income Calculation, Parent and the Buyers will retain the Accounting Arbitrator to confirm the determination of the Operating Income Calculation and the Earnout Amount for the year in question. Parent and the Buyers shall each provide the Accounting Arbitrator with their respective determinations of the Operating Income Calculation and the Earnout Amount, and the Accounting Arbitrator shall consider only those items and amounts of the Operating Income Calculation and the Earnout Amount with respect to which Parent and the Buyers have been unable to agree. The Accounting Arbitrator must resolve the matter in accordance with the terms and provisions of this Agreement and shall select either the position of the Buyers or Parent as a resolution for each item or amount disputed and may not impose an alternative resolution with respect to any item or amount disputed. The Accounting Auditor's determination of the Operating Income Calculation and the Earnout Amount shall be based on the definition of "Operating Income" contained in Section 3.5(i). The determination of the Operating Income Calculation and the Earnout Amount by the Accounting Auditor shall be conclusive and binding upon the Parties. The fees of the Accounting Arbitrator shall be borne on a proportionate basis by the Sellers, on the one hand, and the Buyers, on the other hand, based on the inverse proportion of the respective percentages of the dollar value of disputed issues determined in favor of the Sellers and the Buyers.

(h) Upon final determination of the Operating Income Calculation (whether by acceptance or deemed acceptance by Parent of the Operating Income Calculation as determined by the Buyers or by the conclusive, binding determination of the Accounting Arbitrator), the Buyers shall, within ten (10) Business Days of such final determination, pay to the Sellers the applicable Earnout Amount in accordance with the provisions of this Section 3.5.

(i) For purposes of this Section 3.5, "Operating Income" means (i) the aggregate revenue of the Business for the applicable calendar year, less (ii) the sum for the applicable calendar year of (A) cost of revenues (comprised of Labor, Materials, Freight and

Other as presented in the financial statements of the Business) plus (B) selling, general and administrative expenses (including allocations not to exceed \$150,000 in the aggregate per calendar year for services provided by the Buyers or their Affiliates to the Business or finance, legal, compliance, accounting or tax services provided by the Buyers or their Affiliates to the Business in order for the Business to comply with Applicable Law or policies of the Buyers), plus (C) the incremental cost of employee benefits provided to the Hired Employees, including any appropriate cost allocations of human resource services, plus (D) the Cost of Capital, in each case as defined and determined in accordance with GAAP and, to the extent not in contravention of GAAP, with the Buyers' policies and procedures, plus (E) depreciation and amortization, in each case determined in accordance with GAAP and, to the extent not in contravention of GAAP, with the Buyers' policies and procedures.

(j) The Buyers acknowledge that the Sellers' opportunity to receive the Earnout Amount in the manner set forth in this Agreement is an integral part of the Transaction, and the Sellers would not have entered into this Agreement but for such opportunity. Accordingly, the Buyers acknowledge that they owe the Sellers a duty of good faith and fair dealing with regard to the conduct of the Business in order to provide the Sellers with a full and fair opportunity to maximize the Earnout Amount. Without limiting the foregoing, from the Closing through and until December 31, 2013, the Buyers agree that they, and their Affiliates will:

(i) operate the Business in good faith, in a commercially reasonable manner in an effort to maximize the Operating Income, and dedicate reasonable, necessary and advisable resources, including but not limited to, working capital, technical, marketing, sales and employee resources, for the operation of the Business;

(ii) not take any action, or fail to take any action, if such action or inaction is designed or intended, in whole or in part, to reduce the Earnout Amount; and

(iii) require any Person who acquires the US Buyer pursuant to (A) a sale, disposition or other transfer of all or substantially all of the assets of the US Buyer (other than sales in the ordinary course of business consistent with past practices) or (B) a reorganization, merger, share exchange, consolidation or other similar transaction resulting in any Person, directly or indirectly, owning 50% or more of the equity interest in the US Buyer, to assume and be responsible for all rights and obligations provided under this Section 3.5.

(k) Subject to the Buyers' covenants contained in Section 3.5(j), each Seller acknowledges that (i) following the Closing, the US Buyer and the Canadian Buyer have the right to operate the US Business and the Canadian Business, respectively (and each Buyer's respective other businesses, if any) in any manner that such Buyer deems appropriate in its sole discretion and (ii) the Earnout Amount is speculative and is subject to numerous factors outside of the control of each Buyer. With the exception of imputed interest as outlined in Section 3.5(m), no interest shall be required in connection with the payment, if any, of the Earnout Amount

(l) US Buyer and Canadian Buyer shall pay the Nexicore Payment and the Parent Payment attributable to any Earnout Amounts paid pursuant to this Section 3.5 based on their respective Buyer Pro Rata Share of such amounts in immediately available funds by wire transfer to an account or accounts specified by Parent in a writing delivered to the Buyers at least three (3) Business Days prior to the Closing Date.

(m) United States Tax Treatment of Earnout Amount.

(i) Installment Sale. The Buyers and the Sellers each agree that the sale and purchase of the Transferred Assets pursuant to the terms of this Agreement represents a contingent payment sale with a stated maximum selling price as contemplated by Treas. Reg. Sections 15A.453-1(c)(1) – (2). As a result, any payment of an Earnout Amount made by US Buyer pursuant to this Section 3.5 will constitute an installment sale for purposes of Code Section 453.

(ii) Calculation of Imputed Interest. In calculating the portion of each payment of an Earnout Amount by US Buyer that constitutes interest, the Buyers and the Sellers each agree that US Buyer shall impute interest to the installment sale by applying the short term applicable federal rate, as determined by Code Section 1274(d), for interest compounding annually for the month in which the Closing Date occurs, and shall in writing inform Parent of the amount of the imputed interest in each tax year.

(iii) Purchase Price Adjustment. The Buyers and the Sellers each agree that, for all Tax purposes, if the aggregate Earnout Amounts paid by US Buyer to the Sellers do not equal the stated maximum selling price, then the excess of: (x) the maximum selling price over (y) the aggregate Earnout Amounts paid by US Buyer shall be treated as an adjustment to the Purchase Price.

(iv) Purchase Price Allocation. The Buyers and the Sellers each agree that the Buyers shall, in accordance with Section 3.3(b), be entitled to revise the Asset Allocation, established pursuant to the terms of Section 3.3(a), to take into account the payment of an Earnout Amount. The Buyers and the Sellers each agree to treat all matters consistent with such revised allocation in accordance with Section 3.3(c).

Section 3.6 Withholding. The Buyers are authorized to withhold a portion of any payment made to the Sellers pursuant to this Article 3 as required pursuant to the Code, the ITA, or state, local, provincial, territorial, municipal or other Canadian law, including, without limitation, as required by the income tax treaty between the United States and Canada or pursuant to the procedures outlined in Section 9.5(g). For all purposes of this Agreement, any amount withheld pursuant to the Code, ITA or any provision of state, local, provincial, territorial, municipal or other Canadian tax law shall be treated as part of the Purchase Price paid by the Buyers to the Sellers for the Transferred Assets. The Buyers shall be authorized to pay over to any Governmental Authority any amounts required to be and that are withheld pursuant to this Section 3.6.

Section 3.7 Consents of Third Parties. Notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute an agreement to assign or transfer any Consent from a Governmental Authority, instrument, contract (including the Assumed Contracts), lease, or other agreement or arrangement or any claim, right or benefit arising thereunder or resulting therefrom, to the extent that such assignment or transfer or an attempt to make such an assignment or transfer cannot be made pursuant to Section 365 of the Bankruptcy Code without the consent or approval of a third party. In the event any such consent or approval is not obtained on or prior to the Closing Date, each Seller shall cooperate with each Buyer in any lawful arrangement to provide that such Buyer shall receive the benefits under any such Consent, instrument, contract, lease or other agreement or arrangement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the Disclosure Schedule delivered to the Buyers contemporaneously herewith (the “Disclosure Schedule”), of which the Schedules referred to below are a part, and in the documents and other materials identified in the Disclosure Schedule, and subject to the limitations contained in Section 15.11, as of the date of this Agreement, the Sellers make to the Buyers the following representations and warranties. References to a particular Schedule in the Disclosure Schedule, and those in any supplement thereto, relate only to the provisions in the Section of this Agreement to which they expressly relate and not to any other provision in this Agreement.

Section 4.1 Organization, Standing, Etc.

(a) Nexicore is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite limited liability company power and authority to carry on the Business as currently conducted by it and to own or lease and to operate the properties of the Business used by it. Nexicore is qualified to do business in Puerto Rico and each state of the United States in which the Business is conducted that requires such qualification and where the failure to so qualify would have a Material Adverse Effect on the Business.

(b) Parent is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as currently conducted by it and to own or lease and to operate the properties used by it. Parent is qualified to do business in each state of the United States in which the Business is conducted that requires such qualification and where the failure to so qualify would have a Material Adverse Effect on the Business.

Section 4.2 Authorization. Subject to approval by the Bankruptcy Court, the execution, delivery and performance of this Agreement and all other documents executed or to be executed pursuant to this Agreement by each Seller, and the consummation of the Contemplated Transactions, have been duly authorized by all necessary corporate or limited liability company action, as the case may be, on the part of each Seller. Subject to approval by the Bankruptcy Court, this Agreement has been duly executed and delivered by a duly authorized officer of each Seller. Nexicore has the limited liability company power and authority and

Parent has the corporate power and authority necessary to enter into and perform their respective obligations under this Agreement and to carry out the Contemplated Transactions.

Section 4.3 Enforceability. Subject to approval by the Bankruptcy Court and the CCAA Court, this Agreement constitutes the valid and legally binding obligation of each Seller, enforceable in accordance with its terms, except as such enforceability may be limited by equitable principles and by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the rights of creditors generally.

Section 4.4 Compliance with Other Instruments and Laws. The execution, delivery and performance of this Agreement and the consummation of the Contemplated Transactions will not conflict with or result in any violation of or default under any provision (a) of the charter, bylaws or other organizational documents, as applicable, of either Seller, or (b) of any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to either Seller or any of their respective properties or assets, the result of which, with respect to items identified in clause (b) would (either individually or in the aggregate) have a Material Adverse Effect on the Business.

Section 4.5 Governmental Authorizations and Consents. Except as set forth on Schedule 4.5, no Consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority are required to be obtained or made by either Seller in connection with the execution, delivery, performance, validity and enforceability of this Agreement, other than Bankruptcy Court and CCAA Court approval.

Section 4.6 Financial Statements. Attached as Schedule 4.6 are the following: (a) audited balance sheets of the Business as at December 31, 2008, 2009 and 2010, and the related statements of income and retained earnings and cash flows for each of the fiscal years then ended (collectively, the “Year-End Financial Statements”) and (b) an unaudited balance sheet of the Business for the year to date ended September 30, 2011, and the related statements of income and retained earnings and cash flow (collectively, the “Interim Financial Statements” and together with the Year-End Financial Statements, the “Financial Statements”). The Financial Statements fairly present the financial condition, results of operations, and changes in cash flow of the Business as at the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP (except that the Interim Financial Statements do not contain normal year-end adjustments that will not be material individually or in the aggregate and will not be greater than or less than such adjustments in prior years). The Financial Statements reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. The Financial Statements (i) are in accordance with the Books and Records of the Business and (ii) fairly and accurately present in all material respects the assets, liabilities (including all reserves) and financial position of the Business as of the respective dates thereof and the results of operations and changes in cash flow for the periods then ended, subject to normal recurring year-end adjustments where applicable.

Section 4.7 Absence of Certain Changes or Events. Since December 31, 2010, except (i) as set forth on Schedule 4.7, (ii) the filing of the Bankruptcy Case and the CCAA Recognition Proceedings and any actions taken in connection therewith, and (iii) activities

related to the Contemplated Transactions, each Seller has conducted its operations related to the Business in the ordinary course of business, and has not done any of the following with respect to the Business:

- (a) suffered any change except changes that, in the aggregate, have not resulted and are not reasonably expected to result in a Material Adverse Effect on the Business;
- (b) disposed of any tangible or intangible assets of the Business except in the ordinary course of business;
- (c) incurred any Liability, except current liabilities for trade or business obligations incurred in the ordinary course of business and consistent with past business practices;
- (d) created or permitted to exist any Encumbrance on any Transferred Assets;
- (e) terminated or materially amended in an adverse manner or breached any Assumed Contract;
- (f) except in the ordinary course of business, entered into any Contract or made any purchase commitment in excess of the normal, ordinary and usual requirements of the Business or at any price materially in excess of the then-current market price or upon terms and conditions materially more onerous than those consistent with past practice;
- (g) failed to replenish its inventories and supplies in a normal and customary manner consistent with its prior practice;
- (h) experienced any damage, destruction or Loss exceeding \$10,000 individually or series of Losses exceeding \$100,000 in the aggregate, related to the Transferred Assets;
- (i) obtained knowledge of any occurrence, event, action, failure to act, or transaction, any one of which was outside the ordinary course of business, unless any of the above was not reasonably likely to result in a Material Adverse Effect on the Business;
- (j) had any extraordinary charges, wrote down the value of any material assets or wrote off any material accounts receivable; or
- (k) entered into any agreement or made any commitment to take any of the actions described in (a)–(k).

Section 4.8 Title to Transferred Assets; Sufficiency and Condition of Transferred Assets.

- (a) Except for real and personal property subject to leases, each Seller owns, and will transfer, upon consummation of the Contemplated Transactions, good and transferable title to all of their respective Transferred Assets free and clear of any Encumbrances.

(b) Except as set forth in Schedule 4.8(b), the Transferred Assets (i) constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary to operate the Business in the manner presently operated by the Sellers and (ii) include all of the operating assets of the Business.

(c) Except for real and personal property subject to leases, all of the Canadian Assets are owned by the Parent. All Canadian Assets are located only in the Province of Ontario.

Section 4.9 Licenses and Permits. Except as set forth on Schedule 4.9, to the Sellers' Knowledge, each Seller has all material licenses, permits and other authorizations from Governmental Authorities necessary for the conduct of the Business as conducted by each Seller as of the date hereof (collectively "Permits"). Except as set forth on Schedule 4.9, to the Sellers' Knowledge, (a) each of said Permits is in full force and effect, (b) the Business is in compliance with the terms, provisions and conditions thereof in all material respects, (c) there are no outstanding violations, notices of noncompliance, judgments, consent decrees, orders or judicial or administrative actions, investigations or proceedings adversely affecting any of said Permits, and (d) no condition exists and no event has occurred which (whether with or without notice, lapse of time or the occurrence of any other event) would permit the suspension or revocation of any material Permits other than by expiration of the term set forth therein.

Section 4.10 Environmental Matters.

(a) Each Seller has obtained all Permits required for the operation of the Business by all Environmental Laws and Occupational Health and Safety Law and is in compliance with these Permits and with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables contained in or arising from any Environmental Laws and Occupational Health and Safety Laws. Neither Seller has received any notices, reports, or other information, and, to the Sellers' Knowledge, is not subject to any threatened or pending Actions or any Order, from any Person, regarding (i) an actual, potential, or alleged violation of or failure to comply with any Environmental Law or Occupational Health and Safety Law; or (ii) any Release related to either Seller, or the Business, which is reasonably likely to prevent continued compliance with any Environmental Law or Occupational Health and Safety Law or which would otherwise be reasonably likely to give rise to any environmental, health or safety Liabilities, and, to Sellers' Knowledge, no facts exist that would be reasonably likely to result in any such matter listed in (i)-(ii).

(b) To the Sellers' Knowledge, the Business is in material compliance with Environmental Laws or Occupational Health and Safety Laws. If required by any Environmental Law, each Seller has sent all Hazardous Materials for storage, recycling, treatment or disposal in accordance with all Environmental Laws.

(c) Neither Seller has assumed, either expressly or by operation of law, any Liability of any other Person relating to an Environmental Law.

(d) The Sellers have delivered to the Buyers true and complete copies and results of any reports, studies, analyses, tests, or monitoring that are in either Seller's possession,

pertaining to Hazardous Materials or Hazardous Activities in, on, or under any property related to the Business or concerning compliance by either Seller with Environmental Laws.

Section 4.11 Employees.

(a) Schedule 4.11(a) contains lists of the titles or positions of all current Employees as of the date hereof and their date of hire and the location of their employment, a list of all written employment agreements or Contracts with Employees as of the date hereof and a list of all collective bargaining agreements (collectively, the “Employee Information”). Schedule 4.11(a) also includes a summary of all Benefit Plans.

(b) Except as disclosed in Schedule 4.11(b), (i) neither Parent nor Nexicore is a party to or bound by or subject to any collective bargaining agreements, has made any commitment to, or conducted any negotiation or discussion with, any labor union or employee association with respect to any future agreement or arrangement, or is required to recognize any labor union or employee association representing Employees or any agent having bargaining rights for Employees and (ii) to the Sellers’ Knowledge, there is no current attempt to organize, certify, or establish any labor union or employee association with respect to Employees nor has there been any attempt to do so during the period of three (3) years preceding the date of this Agreement.

Section 4.12 Brokers. Except as set forth on Schedule 4.12, all negotiations relating to this Agreement, and the Contemplated Transactions, have been carried on without the participation of any Person acting on behalf of either Seller or their Affiliates in such manner as to give rise to any valid claim against either Buyer for any brokerage or finder’s commission, fee or similar compensation, or, for any bonus payable to any officer, director, employee, agent or sales representative of or consultant to a Seller or such party’s Affiliates upon consummation of the Contemplated Transactions.

Section 4.13 Restrictions on the Business. Except as set forth on Schedule 4.13, neither Seller is subject to any Contract containing covenants that in any way purport to restrict the Business or limit the freedom of a Seller to engage in any line of business or to compete with any Person.

Section 4.14 Relations with Suppliers and Customers.

(a) Neither Seller has received notice from any supplier to the effect that, and, to the Sellers’ Knowledge and except for the Bankruptcy Cases, there is no reason to believe that, any supplier will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to either Seller for purposes of, or in connection with, the Business.

(b) Neither Seller has received notice from any customer to the effect that, and, to the Sellers’ Knowledge and except for the Bankruptcy Cases, there is no reason to believe that, any customer will stop, or materially decrease the rate of, buying products or services from either Seller, except in the ordinary course of business consistent with past practice.

Section 4.15 Taxes.

(a) The unpaid Taxes of the Sellers (i) did not, as of the date of the Financial Statements, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Financial Statements (rather than in any notes thereto); and (ii) will not exceed that reserve as adjusted for operations and transactions through the Closing Date.

(b) Parent is registered under Part IX of the Excise Tax Act (Canada) and its registration number is 885386557 RT 0001.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BUYERS

The Buyers represent and warrant to the Sellers as set forth below as of the date of this Agreement:

Section 5.1 Organization and Standing of Buyer. Each Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction where it is organized and has all requisite corporate power and authority to enter into this Agreement, to carry out the Contemplated Transactions and to perform its obligations hereunder. Each Buyer is qualified to do business in each state of the United States and foreign jurisdictions where the character of its assets or the nature or conduct of its business requires such qualification and where the failure to so qualify would materially affect such Buyer's ability to consummate the Contemplated Transactions.

Section 5.2 Authorization. Subject to approval by the Bankruptcy Court, the execution, delivery and performance of this Agreement, and the consummation of the Contemplated Transactions, have been duly authorized by all necessary corporate and other action on the part of each Buyer. This Agreement has been duly executed and delivered by a duly authorized officer of each Buyer. Each Buyer has the corporate power and authority necessary to enter into and perform its obligations under this Agreement and to carry out the Contemplated Transactions.

Section 5.3 Enforceability. Subject to approval by the Bankruptcy Court and the CCAA Court, this Agreement constitutes the valid and legally binding obligation of each Buyer, enforceable in accordance with its terms, except as such enforceability may be limited by equitable principles and by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the rights of creditors generally.

Section 5.4 Compliance with Other Instruments and Laws. The execution, delivery and performance of this Agreement and the consummation of the Contemplated Transactions will not conflict with or result in any violation of or default under any provision (a) of the charter, bylaws or other organizational documents, as applicable, of either Buyer, or (b) of any mortgage, indenture, trust, lease, partnership or other agreement or other instrument, permit, concession, grant, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to either Buyer or any of their respective properties or assets, the result of

which, with respect to items identified in clause (b) would (either individually or in the aggregate) have a material adverse effect on the operations or financial condition of either Buyer and their respective subsidiaries, taken as a whole, or would materially impair either Buyer's ability to consummate the Contemplated Transactions (a "Material Adverse Effect on Buyer").

Section 5.5 Governmental Authorizations and Consents. Except as set forth on Schedule 5.5, no Consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority are required to be obtained or made by either Buyer in connection with the execution, delivery, performance, validity and enforceability of this Agreement, other than Bankruptcy Court and CCAA Court approval.

Section 5.6 Litigation. No Action is pending or, to the knowledge of either Buyer, threatened, against either Buyer or its properties, at law or in equity or before any Governmental Authority that seeks to question, delay or prevent the consummation of the Contemplated Transactions.

Section 5.7 Financial Capacity. Each Buyer has the financial capacity to consummate the Contemplated Transactions.

Section 5.8 Independent Investigation; No Other Representations or Warranties of the Sellers. The Buyers agree that none of Nexicore, Parent or any of their respective Affiliates or advisors have made and shall not be deemed to have made, nor have the Buyers or any of their Affiliates relied on, any representation, warranty, covenant or agreement, express or implied, with respect to Parent or Nexicore, the Business or the transactions contemplated by this Agreement, other than those representations, warranties, covenants and agreements explicitly set forth in this Agreement. The Buyers further acknowledge and agree that they have made their own investigation into, and based thereon have formed an independent judgment concerning, the Business and the Assets; *provided, however*, that this Section 5.8 shall not preclude the Buyers from asserting claims for indemnification in accordance with Article 10 or from bringing any claim for fraud.

Section 5.9 Canadian GST/HST Registration. Canadian Buyer is registered under Part IX of the Excise Tax Act (Canada) and its registration number is 13009 6365 RT 0001.

ARTICLE 6 COVENANTS RELATING TO PERSONNEL ARRANGEMENTS

Section 6.1 Employment of Sellers' Employees.

(a) Each of US Buyer and Canadian Buyer shall offer employment to such Employees of the US Business and the Canadian Business, respectively, as mutually agreed upon by Buyers and Sellers prior to the Closing Date, which employment will commence as of the day after the Closing Date, at rates of pay and under terms and conditions solely determined by the Buyers. All Employees of the Business accepting US Buyer's or Canadian Buyer's, as the case may be, offer of employment are hereinafter referred to as the "Hired Employees." On or prior to the Closing Date, the Sellers shall cause the termination of the employment of all the Employees who are Hired Employees.

(b) Except as otherwise provided herein, the Sellers shall be responsible for and shall discharge all obligations and liabilities attributable to the Hired Employees arising on or prior to the Closing Date (including, without limitation, any obligations or liabilities arising under any employment agreement, Contracts, or Benefit Plans). Buyers shall have no obligations or liabilities with respect to any current or former Employees who are not Hired Employees.

(c) US Buyer or Canadian Buyer, as the case may be, shall be responsible for all costs, expenses and Liabilities attributable to the Hired Employees accruing after the Closing Date, including, but not limited to, any costs, expenses or Liabilities incurred in connection with the termination of the employment of a Hired Employee after the Closing Date.

(d) Effective on the Closing Date, the Sellers shall, and hereby do, release all Hired Employees from any employment and/or confidentiality agreements previously entered into between the Sellers and such Hired Employees.

Section 6.2 Benefit Plans. Except as set forth herein, neither Buyer shall assume any Benefit Plan or any Liability with respect to any Benefit Plan. To the extent necessary, the Sellers may continue to communicate with the Hired Employees regarding their rights and entitlement to any benefits under the Benefit Plans. The parties shall cooperate with each other in the administration of all applicable employee benefit plans and programs. For purposes hereof, “Benefit Plans” shall mean any plans, programs, policies or arrangements maintained by, contributed to, or required to be maintained or contributed to by any Seller or any of its Affiliates, and under which any current or former Employees have any past, present or future rights to benefits, including, but not limited to, (a) any employee benefit plan as defined in Section 3(3) of ERISA, or (b) any other pension, profit sharing, retirement, deferred compensation, stock purchase, stock option, other equity-based incentive, bonus, performance, vacation, termination, retention, severance, disability, hospitalization, medical, life insurance or other employee benefit plan, program, policy or arrangement.

Section 6.3 Vacation Pay. Each Buyer agrees to give each of their respective Hired Employees credit for prior years of service with the Sellers for purposes of calculating vacation pay that may be received pursuant to the vacation pay policy of such Buyer as may be in effect from time to time after the Effective Time, and will waive any eligibility requirements of such policy with respect to the Hired Employees.

Section 6.4 Buyers Benefit Plans. Each Hired Employee shall receive credit for prior years of service with the respective Seller for purposes of eligibility to participate in and vesting under a Buyer’s benefit plans (and not for purposes of accruing benefits under a retirement benefit plan).

Section 6.5 Employee Information and Transfer of Hired Employee Files.

(a) Prior to the Closing Date for Hired Employees and before and after the Closing Date for all other Employees, except as required by Applicable Law, the Buyers undertake to keep the Employee Information in confidence including taking the following actions:

(i) the Buyers shall restrict the disclosure of Employee Information only to such of its employees, agents and advisors as is reasonably necessary for the purposes of complying with its obligations pursuant to this Agreement;

(ii) the Employee Information shall not be disclosed to any Person other than those set forth in Section 6.5(a)(i) above (including, for the avoidance of doubt, any other employee of the Buyers) without the consent of the Sellers, such consent not to be unreasonably withheld; and

(iii) the Employee Information shall not be used except for the purposes of complying with the obligations of the Buyers pursuant to this Agreement and shall be returned to the Sellers or destroyed, at the Sellers' election, if this Agreement is terminated.

(b) To the extent permitted by law, on the Closing Date, or as soon as practicable thereafter, the Sellers shall deliver to a designee of each Buyer a copy of all historical personnel records of each of its respective Hired Employees, including, but not limited to, employment agreements, confidentiality and non-competition agreements, employment applications, corrective action reports, disciplinary reports, notices of transfer, notices of rate changes and other similar documents.

Section 6.6 COBRA Obligations. Notwithstanding anything in this Agreement to the contrary, US Buyer will be solely responsible for any obligations for notices and continuation coverage under Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA with respect to its respective Hired Employees and all other individuals who are or become "M&A Qualified Beneficiaries" (as defined in Treasury Regulations Section 54.4980B-9) in connection with the consummation of the Contemplated Transaction.

Section 6.7 No Third-Party Beneficiaries. No provision in this Agreement shall create any third-party beneficiary rights in any current or former Employee or any spouse, beneficiary or dependent thereof.

**ARTICLE 7
COVENANTS OF SELLERS**

Section 7.1 Conduct of Business.

(a) Except as set forth on Schedule 7.1 or as may be otherwise expressly permitted by this Agreement or with the prior written consent of the Buyers, and subject to any order of the Bankruptcy Court or applicable provision of the Bankruptcy Code, from the date hereof and prior to the Closing, each Seller, as applicable, will: (i) operate the Business only in

the ordinary course consistent with the past practices of each Seller since the filing of the Bankruptcy Case; (ii) use commercially reasonable efforts to preserve intact the Transferred Assets and the organization of the Business; (iii) continue in full force and effect all existing insurance policies (or comparable insurance) of or relating to the Business; and (iv) use commercially reasonable efforts to preserve each Seller's relationships with its suppliers, customers, Employees, licensors and licensees and others having business dealings with such Seller relating to the Business.

(b) Without limiting the generality of (a), and except as may be otherwise expressly permitted by this Agreement, approved by the Bankruptcy Court, or required by an applicable provision of the Bankruptcy Code, or with the prior written consent of the Buyers, which shall not be unreasonably withheld, delayed or conditioned, from the date hereof through the Closing, neither Seller, as applicable, shall, with respect to the Business:

(i) enter into any material transaction in connection with the Business outside the ordinary course of business;

(ii) fail to conduct the Business in the ordinary course consistent with past practices since the filing of the Bankruptcy Case;

(iii) sell, lease, transfer, mortgage or assign any of the Transferred Assets, tangible or intangible, other than in the ordinary course of business;

(iv) cancel, compromise, knowingly waive or lease any material right or claim (or series of related rights and claims) under any Assumed Contract, outside the ordinary course of business;

(v) make any change in the rate of compensation, commission, bonus or other direct or indirect remuneration payable, or agree to pay, conditionally or otherwise, any material bonus, incentive, retention or other compensation, retirement, welfare, fringe or severance benefit or vacation pay, to or in respect of any Employee, other than the increases and payments in the ordinary course of business consistent with past practice in the compensation payable to employees of the Business; or

(vi) agree to do any of the foregoing.

Section 7.2 Name. The Sellers expressly agree that, on and after the Closing Date, neither Seller shall have any right, title or interest in any trade names, trademarks, identifying logos or service marks employing the word "Nexicore" or any variation thereof (the "Names") or any other trademarks, service marks, product line names, trade dress or other intangible assets included in the Transferred Assets or confusingly similar thereto. The Sellers agree that without the prior written consent of the Buyers, neither they nor any of their Affiliates shall make any use of the Names from and after the Closing Date. Within ten (10) days following the Closing, Nexicore shall amend its certificate of formation to amend the name of the limited liability company. The Sellers shall also provide each Buyer with such assistance as reasonably

requested by each Buyer in order to effectuate the transfer of trademarks, trade names and domain names within forty-five (45) days following the Closing Date.

Section 7.3 License. Parent and the Buyers shall, simultaneously with the Closing, execute a 6-month, royalty-free, worldwide license agreement to use the name “Hartford Computer Group” and any name or mark derived from or including the foregoing, including all corporate symbols or logos incorporating “Hartford Computer Group” or any variation thereof, in connection with the Business, substantially in the form of Exhibit C (the “License Agreement”), effective as of the Effective Time.

Section 7.4 Access. Subject to reasonable notice and as permitted by law, each Seller shall afford to each Buyer and their accountants and other agents and representatives reasonable access during normal business hours throughout the period prior to the Closing Date to all of the properties, Books and Records, and Contracts of the Business and, during such period, each Seller shall furnish promptly to the Buyers and their representatives in relation to the Business reasonable access to all other information concerning the business, properties and personnel of the Business as the Buyers may reasonably request. Each Seller shall promptly upon request provide the Buyers access to a true, complete and correct copy of each Assumed Contract. If access is restricted due to a term in the agreement or by Applicable Law, each Seller shall use its commercially reasonable efforts to secure consent from the other party(ies) to the agreement to provide such access prior to Closing with sufficient time for the Buyers to review. The Buyers will treat the documents and other material and information referred to in this Section 7.4 as confidential in compliance with Section 9.7. Notwithstanding anything herein to the contrary: (a) the Sellers may limit access to the extent reasonably necessary to avoid disruption of the Business; (b) no such investigation or examination shall be permitted to the extent that it would require either of the Sellers to disclose information subject to attorney-client privilege or conflict with any confidentiality obligations to which either or both the Sellers are bound; and (c) prior to the Closing, without the prior written consent of the Sellers (not to be unreasonably withheld or delayed), neither Buyer shall contact any suppliers to, or customers of, the Business with respect to the Business or the transactions contemplated hereunder.

Section 7.5 Noncompetition; Non-solicitation.

(a) For a period of five (5) years after the Closing Date, no Seller shall, in any of the countries in which a Seller engages in the Business, directly or indirectly invest in, own, manage, operate, finance, control, advise, render services to or guarantee the obligations of any Person engaged in or planning to become engaged in any business activities that would be in competition with a Buyer and/or any of their respective Affiliates in the Business, provided, however, that a Seller may purchase or otherwise acquire up to (but not more than) five percent (5%) of any class of the securities of any Person (but may not otherwise participate in the activities of such Person) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Exchange Act.

(b) For a period of five (5) years after the Closing Date, no Seller shall, directly or indirectly:

(i) solicit the business of any Person who is a customer of the Business;

(ii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of the Business to cease doing business with a Buyer, to deal with any competitor of a Buyer or in any way interfere with its relationship with a Buyer;

(iii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of the Business on the Closing Date or within the year preceding the Closing Date to cease doing business with a Buyer, to deal with any competitor of a Buyer or in any way interfere with its relationship with a Buyer; or

(iv) hire, retain or attempt to hire or retain any employee or independent contractor of a Buyer or in any way interfere with the relationship between a Buyer and any of their respective employees or independent contractors.

(c) If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in Section 7.5(a) or (b) is invalid or unenforceable, then the parties agree that the court or tribunal will have the power to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Section 7.5 will be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(d) Notwithstanding anything to the contrary in this Agreement, in the event of a breach or threatened breach of this Section 7.5, each Buyer may, in addition to other rights and remedies existing in its favor, apply to a court of competent jurisdiction in accordance for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this Section 7.5 (without posting a bond or other security).

(e) The Sellers and the Buyers acknowledge that the covenants contained in this Section 7.5 are being granted to maintain or preserve the fair market value of the Transferred Assets acquired by the Buyers, and that no proceeds or other amount received or receivable under this Agreement by either Seller shall be for granting any restrictive covenant under this Agreement. The Buyers shall duly and timely make and file any elections (including any amended elections) that the Sellers may request, in order to ensure that no amount in respect of the restrictive covenants in this Section 7.5 is included in the income of either Seller under Section 56.4 of the ITA, as it is proposed to be amended on the date of this Agreement, or as it may be subsequently amended, or under analogous provisions of any other income tax legislation.

ARTICLE 8 COVENANTS OF BUYERS

Section 8.1 Investigation. In conducting their review of the Business, the Buyers shall conduct themselves so as to not unreasonably interfere with the Business or with the performance of Employees.

Section 8.2 Assistance with Respect to Excluded Assets. Following the Closing, upon request of a Seller, each Buyer will use its commercially reasonable efforts to assist such Seller in connection with the collection, maintenance or liquidation of the Excluded Assets. If any Buyer receives payment in respect of such items following the Closing, such Buyer shall promptly pay such amounts to such Seller or Parent, as applicable, and shall notify promptly each such payor that any and all payments by that payor to such Seller in the future should be made directly to such Seller or Parent, as applicable.

Section 8.3 Earnout. Following the Closing, the Buyers shall continue to abide by the terms and conditions set forth in Section 3.5(j). The Buyers shall treat any costs and expenses related to the implementation of the SAP software upgrade in accordance with Buyers' capitalization policies.

ARTICLE 9 COVENANTS OF BOTH PARTIES

Section 9.1 Commercially Reasonable Efforts. Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Law and the terms of this Agreement to consummate the Contemplated Transactions, including the execution and delivery of any further instruments or documents which are reasonably requested by a party or its counsel to any party signatory hereto in order to evidence or facilitate the consummation of the Contemplated Transactions.

Section 9.2 Consents; Cooperation. The Sellers and the Buyers will use their commercially reasonable efforts:

(a) to obtain prior to the earlier of the date required (if so required) or the Closing Date, all authorizations, Consents, Orders, Permits or approvals of, or notices to, or filings, registrations or qualifications with, all Governmental Authorities (including, without limitation, the approval of the Bankruptcy Court and CCAA Court) and any other Person or entity that are required on their respective parts, for the consummation of the Contemplated Transactions;

(b) to defend, consistent with Applicable Law, any lawsuit or other legal proceeding, whether judicial or administrative, whether brought derivatively or on behalf of third Persons (including Governmental Authorities) challenging this Agreement or the Contemplated Transactions;

(c) to furnish to each other such information and assistance as may reasonably be requested in connection with the foregoing;

(d) to reasonably assist each other as necessary with regard to the determination of contract or order closeouts or other issues which affect the Assumed Contracts, to notify the Buyers of additional disallowances or potential adverse audit findings, and to consult and reach agreement with respect to advanced coordination of negotiating positions, offers of compromise, or final agreements or settlements, all such cooperation to be without charge to both parties to this Agreement; and

(e) to enter into mutually acceptable arrangements pursuant to which any payments recovered by a Seller following the Closing Date in respect of receivables arising under the Assumed Contracts following the Closing Date are promptly remitted to the appropriate Buyer.

Section 9.3 Communications with Customers and Suppliers. The Sellers and the Buyers will mutually agree upon all communications widely disseminated to suppliers and customers of the Business relating to this Agreement and the Contemplated Transactions prior to the Closing Date.

Section 9.4 Liability for Transfer Taxes.

(a) Transfer Taxes Generally. Parent shall prepare and timely file all Tax Returns required to be filed in respect of Transfer Taxes, provided, however, that Parent's preparation of any such Tax Returns shall be subject to the Buyers' approval which approval shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the Sellers and the Buyers shall cooperate and use commercially reasonable efforts to obtain an order exempting the Buyers and the Sellers from Transfer Taxes in the Sale Order.

(b) US Transfer Taxes.

(i) The Sellers shall bear, be responsible for and pay in a timely manner all sales, use, value added, documentary, stamp, gross receipts, registration, transfer, conveyance, excise, recording, license and other similar Taxes and fees (including without limitation any goods and services tax, but for the avoidance of doubt, excluding any income Taxes) arising out of or in connection with or attributable to the Contemplated Transactions imposed by Governmental Authorities in the United States ("US Transfer Taxes") regardless of whether such Governmental Authority seeks to collect the US Transfer Taxes from the Sellers or the Buyers. Sellers shall prepare and timely file all Tax Returns required to be filed in respect of Transfer Taxes, provided, however, that Sellers' preparation of any such Tax Returns shall be subject to Buyers' approval, which approval shall not be unreasonably withheld, conditioned or delayed.

(ii) The Sellers and the Buyers recognize that the Contemplated Transactions may involve the sale of the Transferred Assets for which certain exemptions from various US Transfer Taxes may be applicable (including,

without limitation, an “isolated, casual or occasional sale,” or a sale for resale). The Buyers shall, to the extent consistent with Applicable Law, provide Parent with any exemption or resale certificate, permit, license or such other documentation as may be required by a Governmental Authority to establish the right to an exemption from a US Transfer Tax.

(c) Canadian Transfer Taxes.

(i) Except as provided in Subsection (iv) below, the Sellers shall bear, be responsible for and pay in a timely manner all sales, use, value added, documentary, stamp, gross receipts, registration, transfer, conveyance, excise, recording, license and other similar Taxes and fees (including without limitation any goods and services tax, but for the avoidance of doubt, excluding any income Taxes) arising out of or in connection with or attributable to the Contemplated Transactions imposed by Governmental Authorities in Canada (“Canadian Transfer Taxes” and, together with US Transfer Taxes, “Transfer Taxes”) regardless of whether such Governmental Authority seeks to collect the Canadian Transfer Taxes from the Sellers or the Buyers.

(ii) Each Seller and Canadian Buyer shall, if applicable, jointly elect to have Subsection 20(24) of the ITA apply to any future obligations assumed by Canadian Buyer and for which the Sellers have already received payment. Each of Canadian Buyer and Parent shall notify the CRA of the election under Subsection 20(24) when it files its Tax Return for the year of sale.

(iii) Parent and Canadian Buyer agree to elect jointly in the prescribed form under Section 22 of the ITA as to the sale of the accounts receivables relating to or forming part of the Canadian Assets as described in Section 22 of the ITA and to designate in such election an amount equal to the portion of the Purchase Price allocated to such assets in accordance with Section 3.3 as the consideration paid by Canadian Buyer therefor. Each of Canadian Buyer and Parent shall file two copies of such election with the CRA forthwith after execution thereof, and, in any event, with its Tax Return for the year of sale to make such election.

(iv) Parent and Canadian Buyer shall jointly elect under Section 167(1) of the *Excise Tax Act* (Canada), following the prescribed form and including the prescribed information, with respect to the purchase and sale of the Canadian Assets pursuant to the provisions of this Agreement such that no HST will be payable by Canadian Buyer upon and in connection with the transfer of the Canadian Assets to Canadian Buyer. Canadian Buyer shall file the joint election in accordance with the requirements of the *Excise Tax Act* (Canada). Notwithstanding any such election, subject to as hereinafter provided, in the event it is determined by the CRA or other competent Governmental Authority that there is a liability of the Canadian Buyer to pay, or of the Sellers to collect and remit, any amounts on account of GST/HST on all or part of the Purchase Price paid for the Canadian Assets, such GST/HST shall be forthwith paid by Canadian

Buyer to the CRA, the competent provincial or territorial Tax authority, or Sellers, as the case may be; provided, however, that the Canadian Buyer shall not be required to make such payment unless the Parent has provided the prescribed information necessary for the Canadian Buyer to obtain an input tax credit in the amount of such payments, in which case Parent shall pay such payment as provided for in Subsection (i) above.

(v) A copy of the elections described in Subsections (c)(ii), (c)(iii) and (c)(iv) above in a form acceptable to counsel for Canadian Buyer, acting reasonably, shall have been received by Canadian Buyer at the Closing Date.

Section 9.5 Tax Matters.

(a) Allocation of Taxes; Liability for Taxes.

(i) For the purposes of this Agreement, the amount of any Taxes based on or measured by income, receipts, property or operations allocated to a Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date and the amount of other Taxes allocated to the Pre-Closing Tax Period shall be determined by multiplying the amount of such Taxes for the entire period by a fraction, the numerator of which is the number of calendar days in the period ending on the close of the Closing Date and the denominator of which is the number of calendar days in the entire period; and such obligations shall be allocated to the Post-Closing Tax Period by multiplying the amount of such Taxes for the entire period by a fraction the numerator of which is the number of calendar days in the period beginning on the day after the Closing Date and the denominator of which is the number of calendar days in the entire period.

(ii) The Buyers shall be liable for any Taxes applicable to the Transferred Assets that have been included in the Estimated US Tax Liabilities and the Estimated Canadian Tax Liabilities. The Sellers shall be liable for any Taxes applicable to the Transferred Assets allocable to a Pre-Closing Tax Period that have not been included in the Estimated US Tax Liabilities or the Estimated Canadian Tax Liabilities; and the Buyers shall be liable for any Taxes allocable to a Post-Closing Tax Period.

(b) **Responsibility for Filing Tax Returns.** With the exception of Tax Returns attributable to (i) the income, receipts, sales or payroll of the Sellers (which shall be filed by the Sellers) and (ii) Transfer Taxes (which shall be filed as set forth in Section 9.4(a)), the Buyers shall prepare or cause to be prepared and file or cause to be filed all Tax Returns with respect to the Transferred Assets that are filed after the Closing Date.

(c) **Cooperation on Tax Matters.** Parent and each Buyer shall, upon request, agree to furnish or cause to be furnished to each other, without charge and in a timely fashion, all information as is reasonably necessary to allow the Sellers or the Buyers, as the case may be, to file any Tax Returns for which such party is responsible, and determine the amount of Taxes due

thereon. Such assistance shall include, without limitation: (i) the provision on demand of books, records, Tax Returns, documentation or other information relating to any relevant Tax Return ("Tax Data"); (ii) the execution of any document that may be necessary or reasonably helpful in connection with the filing of any Tax Return, or in connection with any Action relating to Taxes, including, without limitation, the execution of powers of attorney and extensions of applicable statutes of limitations; and (iii) the use of reasonable efforts to obtain any documentation from any Governmental Authority or other Person that may be necessary or reasonably helpful in connection with the foregoing. Such cooperation shall include, without limitation, making their respective employees and independent auditors reasonably available on a mutually convenient basis for all reasonable purposes, including, without limitation, to provide explanations and background information and to permit the copying of books, records, schedules, workpapers, notices, revenue agent reports, settlement or closing agreements and other documents containing the Tax Data ("Tax Documentation"). If a third party is retained in connection with any review hereunder, the party retaining such third party shall be responsible for any fees and expenses for such third party.

(d) **Tax Proceedings.** The Buyers shall promptly notify Parent in writing upon receipt by the Buyers of any notice of any audits, examinations, adjustments, assessments, proceedings or other similar events relating to any Taxes imposed on the Transferred Assets relating to a Pre-Closing Tax Period (a "Tax Proceeding"). The Sellers may elect, within thirty (30) days of receiving such notice, to direct any Tax Proceeding, at its expense, that relates solely to a Pre-Closing Tax Period and for which the Sellers would solely be liable pursuant to Section 9.5(a) for any Taxes that may result (a "Sellers' Tax Contest") and to employ counsel of its choice; provided, however, that the Buyers shall have the right, at their expense, to consult with the Sellers regarding a Sellers' Tax Contest; and provided further, that the Sellers may not agree to settle any Sellers' Tax Contest without the Buyers' prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The Buyers, at their expense, shall have the right to control all other Tax Proceedings (a "Buyers' Tax Contest"); provided, however, that the Sellers shall have the right, at their expense, to consult with the Buyers regarding a Buyers' Tax Contest if the Sellers would be liable pursuant to Section 9.5(a) for a portion of the Taxes that may result from the Buyers' Tax Contest; and provided, further, that the Buyers may not agree to settle any Buyers' Tax Contest without Parent's prior written consent, which consent shall be unreasonably withheld, conditioned or delayed, unless the Buyers agree to assume and become liable for all Taxes resulting from Buyers' Tax Contest.

(e) **Retention of Tax Data and Tax Documentation.** Parent and each Buyer shall retain or cause to be retained the Tax Data, the Tax Documentation, all Tax Returns, schedules and workpapers, and all material records or other documents relating thereto, until one year after the expiration of all applicable statutes of limitations (including any waivers or extension thereof) with respect to the Tax periods to which such Tax Returns and other documents relate or until the expiration of any additional period that either Buyers or Parent, as the case may be, may reasonably request in writing with respect to specifically designated material records or documents; provided, however, that in the event an audit, examination, investigation or other proceeding has been instituted prior to the expiration date of an applicable statute of limitations, the Tax Data and Tax Documentation relating thereto shall be retained until there is a final determination thereof (and the time for any appeal has expired). After the

expiration of the time when the Tax Data and the Tax Documentation must be retained pursuant to this Section 9.5, then any such material may be destroyed.

(f) **Tax Elections.** The Sellers shall not make any new elections with respect to Taxes, or make any material change in current elections with respect to Taxes, after the date of this Agreement without the prior written consent of the Buyers.

(g) **Section 116 of the ITA.**

(i) On or before the Closing, the Parent shall take all reasonable steps to obtain and deliver to the Canadian Buyer certificates of compliance issued by the Minister of National Revenue (Canada) under subsections 116(2) and 116(5.2) of the ITA in respect of its dispositions of the 116(2) Property and the 116(5.2) Property, respectively, to the Canadian Buyer, in each case with a certificate limit in an amount not less than the Canadian dollar equivalent of the portion of the Purchase Price allocated to the applicable Canadian Assets pursuant to Section 3.3. A certificate issued by the Minister of National Revenue (Canada) under subsections 116(2) or 116(4) in respect of such disposition of the 116(2) Property or under subsection 116(5.2) in respect of such disposition of the 116(5.2) Property is hereinafter described as a “Certificate of Compliance”.

(ii) If a Certificate of Compliance in respect of the 116(2) Property is not delivered to the Canadian Buyer on or before (A) the payment by the Canadian Buyer of its portion of the Cash Closing Payment, (B) any release of a portion of the Canadian Escrow Amount to the Parent pursuant to Section 3.4(b)(v), or (C) a payment of the Canadian Buyer’s portion of any Earnout Amount (each or any such payment being a “Canadian Buyer Payment”), or if a Certificate of Compliance is so delivered but the certificate limit or other relevant amount specified therein is not equal to or greater than the Canadian dollar equivalent of the portion of such Canadian Buyer Payment allocated to the 116(2) Property pursuant to Section 3.3, twenty-five percent (25%) of (X) if a Certificate of Compliance is not so delivered, such portion of such Canadian Buyer Payment or (Y) if a Certificate of Compliance is so delivered, the amount by which the portion of such Canadian Buyer Payment allocated to the 116(2) Property pursuant to Section 3.3 exceeds the U.S. dollar equivalent of such certificate limit or other relevant amount shall be withheld and delivered to an escrow agent (the “Canadian Tax Escrow Agent”) to be held in accordance with a tax escrow agreement (the “Canadian Tax Escrow Agreement”) to be entered into between the Parent, the Canadian Buyer and the Canadian Tax Escrow Agent substantially in the form attached hereto as Exhibit D.

(iii) If a Certificate of Compliance in respect of the 116(5.2) Property is not delivered to the Canadian Buyer on or before the payment of any Canadian Buyer Payment, or if a Certificate of Compliance is so delivered but the proposed proceeds of disposition or other relevant amount fixed in such certificate is not equal to or greater than the Canadian dollar equivalent of the portion of such Canadian Buyer Payment allocated to the 116(5.2) Property pursuant to Section

3.3, fifty percent (50%) of (X) if a Certificate of Compliance is not so delivered, such portion of such Canadian Buyer Payment or (Y) if a Certificate of Compliance is so delivered, the amount by which the portion of such Canadian Buyer Payment allocated to the 116(5.2) Property exceeds the U.S. dollar equivalent of the amount so fixed shall be withheld and delivered to the Canadian Tax Escrow Agent to be held in accordance with the Canadian Tax Escrow Agreement. The amounts withheld pursuant to Section 9.5(g)(ii) and this Section 9.5(g)(iii), which shall be in the Canadian Dollar equivalent of the amount to be withheld at the time of the applicable Canadian Buyer Payment, are hereinafter described as the “Withheld Amounts”.

(iv) If, on or before the twenty-eighth day of the calendar month following the calendar month (or if such following calendar month is February, the twenty-sixth day) in which Canadian Buyer has delivered a Withheld Amount to the Canadian Tax Escrow Agent (the “Remittance Date”) as such Remittance Date may be extended pursuant to Section 9.5(g)(v):

(A) the Canadian Tax Escrow Agent receives a Certificate of Compliance with a “certificate limit” at least equal to the applicable amount described in Section 9.5(g)(ii) or Section 9.5(g)(iii), the Canadian Tax Escrow Agent shall, immediately after receipt of such Certificate of Compliance, deliver the applicable Withheld Amount to Parent together with any income earned thereon (less any applicable withholding Taxes);

(B) the Canadian Tax Escrow Agent receives a Certificate of Compliance having a “certificate limit” less than the amount described in Section 9.5(g)(ii) or Section 9.5(g)(iii), the Canadian Tax Escrow Agent shall (i) remit to the CRA an amount equal to the amount which would have been required to be withheld pursuant to Section 9.5(g)(ii) or Section 9.5(g)(iii) above in place of such Withheld Amount had the Certificate of Compliance so received been delivered to the Canadian Buyer on or before the date of the Canadian Buyer Payment in respect of which such Withheld Amount was withheld; and (ii) remit to Parent such portion of the applicable Withheld Amount not required to be remitted to the CRA (if any), together with any income earned thereon (less applicable withholding Taxes); or

(C) the Canadian Tax Escrow Agent does not receive from the Parent any Certificate of Compliance, the Canadian Tax Escrow Agent shall remit to the CRA an amount equal to the applicable Withheld Amount.

For the avoidance of doubt, the Canadian Tax Escrow Agent shall not remit any amount referred to in this Section 9.5(g)(iv) to the CRA before the applicable Remittance Date, as such date may be extended pursuant to Section 9.5(g)(v).

(v) Notwithstanding anything to the contrary in this Section 9.5(g), if prior to the applicable Remittance Date, the Canadian Tax Escrow Agent has received a letter issued by the CRA confirming that the CRA will not enforce the applicable remittance of funds to the CRA within the time as is normally required under subsection 116(5) of the ITA (a “Comfort Letter”), the Canadian Tax Escrow Agent shall not make any applicable remittance to the CRA, or any other party, on the date that would otherwise be the applicable Remittance Date and such Remittance Date shall be extended indefinitely; provided, however, if after the date that would otherwise be the applicable Remittance Date and prior to the Canadian Tax Escrow Agent’s receipt of a Certificate of Compliance, the Canadian Tax Escrow Agent receives notification from the CRA that a Comfort Letter is no longer in effect, the date of receipt of such notification will be deemed to be the applicable Remittance Date and the Canadian Tax Escrow Agent shall make any payments as otherwise required by this Section 9.5(g).

(vi) Notwithstanding anything to the contrary in this Section 9.5(g), if at any time the Canadian Tax Escrow Agent receives notice in writing from the CRA either (A) confirming that the Canadian Assets were not “taxable Canadian property” for the purpose of the ITA on the Closing Date; or (B) confirming, in a form reasonably satisfactory to Canadian Buyer and the Canadian Tax Escrow Agent, that the CRA will not require remittance of the applicable Withheld Amount to the CRA, the Canadian Tax Escrow Agent shall forthwith release the applicable Withheld Amounts (or in the case of a notice described in (A), all Withheld Amounts not previously released) to Parent, or as Parent may direct in writing, together with all interest or income earned thereon (less any applicable withholding Taxes).

(vii) Unless the context otherwise requires, the exchange rate used for purposes of this Section 9.5(g) to convert amounts between Canadian dollars and U.S. dollars shall be the Bank of Canada USD/CAD noon rate (ET) on the business day on which the applicable Canadian Buyer Payment is required to be made; provided that if the noon rate (ET) for the business day on which the applicable Canadian Buyer Payment is required to be made is not available at the time any such conversion is required to be made, such conversion shall be made using the noon rate (ET) for the preceding business day.

(viii) For purposes of this Section 9.5(g), where the Parent has provided to the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, a single Certificate of Compliance with a certificate limit, proposed proceeds of disposition or other relevant specified amount, as the case may be, in excess of the amount required (the “Required Amount”) to ensure that no amount is withheld pursuant to Section 9.5(g)(ii) or Section 9.5(g)(iii) in respect of a particular Canadian Buyer Payment, or that a Withheld Amount in respect of a particular Canadian Buyer Payment is released in full to the Parent pursuant to Section 9.5(g)(iv), the Parent shall be deemed to have provided the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, with a Certificate of Compliance having a certificate limit, proposed proceeds of disposition or other relevant

specified amount, as the case may be, equal to the Required Amount in respect of such payment, and to have provided the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, with a separate Certificate of Compliance having a certificate limit, proposed proceeds of disposition, or other relevant specified amount, as the case may be, equal to the amount of such excess. For the avoidance of doubt, this Section 9.5(g)(viii) shall also apply in respect of any such separate Certificate of Compliance deemed to have been provided.

(ix) Where the Parent has previously delivered Certificates of Compliance to the Canadian Buyer or the Canadian Tax Escrow Agent and the Parent is subsequently required to obtain new or amended Certificates of Compliance as a result of post-closing adjustment to the Purchase Price or change in the allocation of Purchase Price, then upon written request from the Parent, which request shall include an assurance that the Parent (or its advisors) has been advised by the CRA that it is prepared to issue new or amended Certificates of Compliance upon receipt of the old certificates, the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, shall immediately return the original copy of any Certificate of Compliance previously delivered by the Parent, and the Parent shall deliver to the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, the appropriate copy of the new or amended Certificates of Compliance promptly upon receipt thereof by the Parent from the CRA.

Section 9.6 Books and Records. Subject to the confidentiality provisions hereof, each Seller shall have the right to retain copies of the Books and Records. From and after the Closing and until the sixth anniversary thereof, (a) Parent agrees to grant to each Buyer, upon reasonable notice and during normal business hours, reasonable access to any books and records that pertain to the Business, but which are not Books and Records, to the extent it is operating and has books and records in its possession, and (b) each Buyer agrees to grant to Parent, upon reasonable notice and during normal business hours, reasonable access to any Books and Records included in the Transferred Assets that pertain to the operations of the Business on or prior to the Closing Date, including without limitation for the purpose of the calculation of the Closing US Working Capital or the Closing Canadian Working Capital.

Section 9.7 Confidentiality. If the Contemplated Transactions are not consummated, each party will immediately return or destroy all such confidential information and any and all copies thereof, however stored, and, if requested by the other party, shall certify conformity with this Section 9.7 in writing. The Buyers and the Sellers hereby acknowledge and agree that the Confidentiality Agreement dated March 21, 2011 between US Buyer and Paragon Capital Partners, LLC on behalf of Parent is terminated and superseded by the terms of this Section 9.7.

ARTICLE 10 INDEMNIFICATION

Section 10.1 Expiration of Representations and Warranties. The representations and warranties of the Sellers and the Buyers contained in any Transaction Document shall survive until the 2013 Earnout Amount, if any, has been calculated and paid to Parent (the

“Survival Period”). Neither the Buyers nor the Sellers shall be entitled to make any claim in respect of any representation or warranty after the expiration of the Survival Period, except that any claim initiated by a Buyer or Seller, as applicable, prior to the expiration of the Survival Period shall survive until it is settled or resolved pursuant to this Agreement.

Section 10.2 Indemnification.

(a) Each Seller, in accordance with the limitation set forth in Section 10.5 below, shall, jointly and severally, indemnify and defend each Buyer and hold them harmless from and against any Losses attributable to (i) any inaccuracy in or any breach of any representation or warranty of a Seller contained in this Agreement (without giving effect to any limitations or qualifications to such representations and warranties, including materiality, knowledge or subsequent supplements or updates to the Disclosure Schedule); (ii) any breach of any covenant or agreement of a Seller contained in this Agreement; and (iii) any Excluded Liabilities.

(b) Each Buyer shall jointly and severally, indemnify and defend each Seller and hold them harmless from and against any Losses attributable to (i) any inaccuracy in or any breach of any representation or warranty of a Buyer contained in any Transaction Document (without giving effect to any limitations or qualifications to such representations and warranties, including materiality, knowledge or subsequent supplements or updates to the Disclosure Schedule); (ii) any breach of any covenant or agreement of a Buyer contained in any Transaction Document; and (iii) any Assumed Liability.

Section 10.3 Mitigation. In the event either the Buyers, on the one hand, or the Sellers, on the other hand, become aware of any event which would reasonably be expected to give rise to any indemnifiable Losses hereunder, the Buyers or the Sellers, as the case may be, shall use commercially reasonable efforts to mitigate and otherwise minimize such Losses to the extent reasonably possible. Notwithstanding the foregoing, the failure of the Buyers or the Sellers, as the case may be, to use such efforts to mitigate shall not constitute a defense to, or in any way otherwise relieve any of the Buyers’ or the Sellers’, as the case may be, obligations to indemnify the other parties pursuant to this Agreement.

Section 10.4 Offset; Exclusive Remedy. Notwithstanding Section 10.2(a), the Buyers shall, as the sole and exclusive source of recovery, be entitled to offset the payment of any Earnout Amount being made to the Sellers pursuant to Section 3.5 by the amount of Losses for which the Sellers are liable pursuant to Section 10.2(a) (the “Indemnification Offset”).

Section 10.5 Limitations.

(a) The Sellers shall not be required to indemnify, defend or hold harmless the Buyers for any Losses with respect to any claim unless such claim involves Losses in excess of \$50,000, in which case the Buyers shall be entitled to indemnification of the full amount of such Losses subject to the other limitations set forth in this Article 10.

(b) The Buyers shall not be required to indemnify, defend or hold harmless the Sellers for any Losses with respect to any claim unless such claim involves Losses in excess

of \$50,000, in which case the Sellers shall be entitled to indemnification of the full amount of such Losses subject to the other limitations set forth in this Article 10.

(c) Notwithstanding anything in this Agreement to the contrary, the Buyers' or the Sellers' obligation, as the case may be, to indemnify the other parties shall be reduced by the amount of any (i) Losses covered by such indemnified party's insurance (net of any deductibles paid by such indemnified party), (ii) Excluded Losses or (iii) net tax benefit attributable to the Losses if such net tax benefit (after taking into account any related taxable income, reductions in tax basis, appreciation or an amortization or similar items) is actually utilized by such indemnified party within eighteen (18) months after the incurrence of such Loss(es).

ARTICLE 11

BANKRUPTCY COURT APPROVAL; BID PROCEDURES; BREAK-UP FEES

Section 11.1 Bankruptcy Court Approvals. As promptly as practicable, the Sellers shall file with the Bankruptcy Court and the CCAA Court, as applicable, and serve on all parties required by applicable rules one or more motions, which attach a complete copy of this Agreement, seeking: (a) an expedited hearing before the Bankruptcy Court (the "Interim Hearing"), to be held within no more than thirty (30) days of the date on which the Sellers commence the Bankruptcy Case, for an order (the "Interim Order") approving, among other things, (i) the auction procedures set forth below as proposed by the Sellers and reasonably approved by the Buyers, (ii) the Seller's obligations regarding the Buyers' protections described herein, including the granting of administrative expense priority for and payment of the Break-Up Fee, and (iii) the adequacy of the extent and method of notice to creditors, possible competing bidders, and parties in interest of a final hearing to approve the Contemplated Transactions (the "Sale Hearing"), and setting a date for the Sale Hearing; (b) an order of the CCAA Court pursuant to Part IV of the CCAA recognizing and giving full force and effect to the Interim Order throughout Canada (the "Interim Recognition Order"); (c) an order, in form and substance satisfactory to the Buyers, authorizing, among other things, the Sellers to sell the Transferred Assets and assign the Assumed Contracts to the Buyers pursuant to this Agreement and Sections 363 and 365 of the Bankruptcy Code, free and clear of all interests in those assets and contracts except for the Assumed Liabilities (the "Sale Order"); and (d) an order of the CCAA Court pursuant to Part IV of the CCAA recognizing and giving full force and effect to the Sale Order throughout Canada (the "Sale Recognition Order").

Section 11.2 Obtaining the Orders. The Sellers shall use its best efforts to obtain (a) the Interim Order within thirty (30) days of the commencement of the Bankruptcy Case and the Sale Order within one hundred twenty (120) days of the commencement of the Bankruptcy Case and (b) the Interim Recognition Order and the Sale Recognition Order within five (5) days of, respectively, the Interim Order and the Sale Order. The Interim Order, the Sale Order, the Interim Recognition Order and the Sale Recognition Order shall be in form and substance acceptable to the Buyers in all material respects. The Sellers shall use their best efforts to ensure that the Sale Order contains, among other things, express waivers of the stays provided in Bankruptcy Rule 6004(g) and 6006(d).

Section 11.3 Consideration of Competing Bids. The Buyers acknowledge that the Sellers, through their officers and their agents and professionals, shall solicit, negotiate, and otherwise discuss with any entity the submission of a competing bid for the assets to be sold under this Agreement (a “Competing Bid” by a “Competing Bidder”) or any similar transaction involving the assets to be sold and the contracts to be assumed and assigned to the Buyers under this Agreement, but, subject to any order of the Bankruptcy Court:

(a) the Sellers must provide to the Buyers a complete copy of any Competing Bid received (redacting only any confidential information contained in it) within two business days of receiving it; and

(b) any Competing Bid must conform to the requirements for a Qualified Bid set forth below.

Section 11.4 Submission of Competing Bids. All Competing Bids must be in writing and submitted to counsel for the Sellers, counsel for the Buyers and all other parties approved by the Bankruptcy Court on or before 5:00 p.m. Central Time seven days before the Sale Hearing.

Section 11.5 Qualification of Competing Bids. Only Competing Bids that meet all the following requirements are “Qualified Bids” eligible to be considered at the Auction:

(a) The Competing Bid must be in writing and include a markup of this Agreement showing the changes to it the Competing Bidder requires;

(b) The Competing Bid must provide consideration in an amount no less than the total of the Cash Payment *plus* the Break-Up Fee *plus* a minimum overbid increment of \$100,000 (collectively, a “Minimum Overbid”);

(c) The Competing Bid must be accompanied by a good faith, refundable deposit of no less than 10% of the Purchase Price, plus additional indicia of ability to immediately close the transactions contemplated by the Competing Bid, including adequate assurance of future performance of any executory contract or unexpired lease that would be assumed and assigned to the Competing Bidder under the Competing Bid, with the Sellers reserving the right, in their sole reasonable discretion as informed by their professionals, to determine the sufficiency of such indicia and the need and adequacy of assurance of future performance;

(d) The Competing Bid must be on terms more favorable and not more burdensome or conditional in any material respect than the Contemplated Transactions in respect of, among other things, price, conditions on closing, third-party consents, and regulatory approvals, as determined by the Sellers in their sole reasonable discretion as informed by their professionals; and

(e) The Competing Bidder must submit to the Sellers, by the close of the Auction, an instrument of irrevocable commitment to the terms of the Competing Bid.

Section 11.6 Sale Hearing. The Sellers will, at the Sale Hearing, conduct a session of bidding among the Buyers and all Competing Bidders submitting a Qualified Bid (the

“Auction”) to determine the highest and best bid for Contemplated Transactions, subject to the approval by the Bankruptcy Court. The Buyers and all such Competing Bidders may increase their bids as many times as they wish and the Bankruptcy Court permits, with the Buyers receiving cash credit for the Break-Up Fee on all subsequent bids. All bids must exceed the cash component of any previous bid by no less than \$100,000 in cash compensation. At the close of all bidding, the Sellers will determine the highest and best bid, and the Bankruptcy Court will hear and resolve any objections to the entry of the Sale Order.

Section 11.7 Break-Up Fee. Subject to entry of the Interim Order and other orders of the Bankruptcy Court, if the Bankruptcy Court approves a Competing Bid as the highest and best bid, the Buyers will be entitled to be paid the Break-Up Fee of One Million Seven Hundred Seventy-Five Thousand Dollars (\$1,775,000). Subject to entry of the Interim Order, the Break-Up Fee will constitute an administrative expense under Section 503 of the Bankruptcy Code of the Sellers’ bankruptcy estates, to be paid solely from the proceeds of the closing of the transactions contemplated in the successful Competing Bid.

ARTICLE 12

CONDITIONS TO OBLIGATIONS OF BUYERS TO CLOSE

The obligations of the Buyers to purchase the Transferred Assets and otherwise consummate the Contemplated Transactions are subject to the satisfaction, as of the Closing Date, of the following conditions (any of which may be waived by the Buyers, in their sole discretion, in whole or in part):

Section 12.1 Accuracy of Representations and Warranties. The representations and warranties of each Seller set forth in Article 4, without giving effect to any materiality or Material Adverse Effect on the Business qualifications therein, shall be accurate in all material respects as of the Closing, as though made on and as of the Closing Date, except to the extent that any of such representations and warranties refers specifically to a date other than the Closing Date, in which case such representation or warranty shall have been accurate in all material respects as of such other date.

Section 12.2 Performance. Each Seller shall have performed in all material respects all obligations required by this Agreement to be performed by each Seller on or before the Closing Date.

Section 12.3 No Conflict. The Contemplated Transactions and the consummation of the Closing shall not be illegal or prohibited under any Applicable Law. No Order issued by any court of competent jurisdiction or any competent Governmental Authority or any other legal restraint or prohibition preventing the Contemplated Transactions shall be in effect, and there shall be no pending or threatened Actions that result, or would reasonably be expected to result, in a Material Adverse Effect on the Business.

Section 12.4 Certificate. The Buyers shall have received from a duly authorized officer of each Seller a certificate dated the Closing Date confirming, to such Seller’s Knowledge, that the conditions in Section 12.1, Section 12.2 and Section 12.3 have been satisfied.

Section 12.5 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order, in form and substance satisfactory to the Buyers in all material respects, and the implementation, operation or effect of such order shall not be stayed or any stay entered shall have been dissolved.

Section 12.6 CCAA Court Approval. The CCAA Court shall have entered the Sale Recognition Order in form and substance satisfactory to the Buyers in all material respects, and the implementation, operation or effect of such order shall not be stayed or any stay entered shall have been dissolved.

Section 12.7 Consents. All approvals, Consents, waivers and authorizations required to be obtained by each Seller in connection with the Contemplated Transactions that are identified on Schedule 12.7 shall have been obtained and shall be in full force and effect.

Section 12.8 Transfer Documents. Each Seller shall have delivered to the Buyers at the Closing all documents, certificates and agreements necessary to transfer to US Buyer and Canadian Buyer all of each Seller's right and title to and interests in the US Assets and the Canadian Assets, respectively, including, without limitation:

(a) bills of sale, assignments and general conveyances, in form and substance reasonably satisfactory to US Buyer and Canadian Buyer, dated the Closing Date, with respect to the US Assets and the Canadian Assets, respectively; and

(b) assignments of all Assumed Contracts and any other agreements and instruments constituting the US Assets and the Canadian Assets, dated the Closing Date, assigning to US Buyer and Canadian Buyer, respectively, all of each Seller's right, title and interest therein and thereto.

Section 12.9 Transaction Documents. Each Buyer and each Seller shall have entered into the Transaction Documents.

Section 12.10 Employment Agreements. Each of the individuals set forth on Schedule 12.10 (the "Designated Individuals") shall have entered into an employment agreement with such Buyer as identified on Schedule 12.10 (the "Employment Agreements") in a form satisfactory to such Buyer.

Section 12.11 Retail Sales Tax Certificate. Parent shall have delivered to Canadian Buyer a certificate issued pursuant to Section 6 of the Retail Sales Tax Act (Ontario) which indicates that all Ontario provincial sales tax collectible or payable by Parent under the said Act up to and including the Closing Date have been paid or that indicates that Parent has entered into an arrangement satisfactory to the Minister of Revenue (Ontario) for the payment of such provincial sales tax or for securing their payment. Notwithstanding the foregoing, Parent and the Canadian Buyer shall cooperate and use commercially reasonable efforts to obtain an order exempting the Canadian Buyer and Parent from compliance with Section 6 of the Retail Sales Tax Act (Ontario).

Section 12.12 Further Instruments. Each Seller shall deliver to each Buyer such further instruments of assignment, conveyance or transfer or other documents of further assurance as each Buyer may reasonably request in advance of the Closing.

ARTICLE 13

CONDITIONS TO OBLIGATIONS OF SELLERS TO CLOSE

The obligations of the Sellers to sell the Transferred Assets and otherwise consummate the Contemplated Transactions are subject to the satisfaction, as of the Closing Date, of the following conditions (any of which may be waived by the Sellers, in their sole discretion in whole or in part):

Section 13.1 Accuracy of Representations and Warranties. The representations and warranties of the Buyers set forth in Article 5, without giving effect to any materiality or Material Adverse Effect on Buyer qualifications therein, shall be accurate in all material respects as of the Closing, as though made on and as of the Closing Date, except to the extent that any of such representations and warranties refers specifically to a date other than the Closing Date, in which case such representation or warranty shall have been accurate in all material respects as of such other date.

Section 13.2 Performance. Each Buyer shall have performed in all material respects all obligations required by this Agreement to be performed by each Buyer on or before the Closing Date except where the failure to perform such obligations did not and would not reasonably be expected to result in a Material Adverse Effect on such Buyer.

Section 13.3 No Conflict. The Contemplated Transactions and the consummation of the Closing shall not be illegal or prohibited under any Applicable Law. No Order issued by any court of competent jurisdiction or any competent Governmental Authority or any other legal restraint or prohibition preventing the Contemplated Transactions shall be in effect, and there shall be no pending or threatened Actions that result, or would reasonably be expected to result, in a Material Adverse Effect on such Buyer.

Section 13.4 Certificate. The Sellers shall have received from a duly authorized officer of each Buyer a certificate dated the Closing Date confirming, to such Buyer's knowledge, that the conditions in Section 13.1, Section 13.2 and Section 13.3 have been satisfied.

Section 13.5 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order, in form and substance satisfactory to the Sellers in all material respects, and the implementation, operation or effect of such order shall not be stayed or any stay entered shall have been dissolved.

Section 13.6 CCAA Court Approval. The CCAA Court shall have entered the Sale Recognition Order in form and substance satisfactory to the Sellers in all material respects, and the implementation, operation or effect of such order shall not be stayed or any stay entered shall have been dissolved.

Section 13.7 Assumption Agreement. The Sellers shall have received from each Buyer an assumption agreement, in form and substance satisfactory to the Sellers, under which each Buyer shall have assumed their respective Assumed Liabilities.

Section 13.8 Resale Certificate. US Buyer shall have delivered to the Sellers duly executed resale certificates for all Inventory transferred to US Buyer, in form satisfactory to the Sellers.

Section 13.9 Transaction Documents. Each Buyer and each Seller shall have entered into the Transaction Documents.

Section 13.10 Further Instruments. Each Buyer shall deliver to each Seller such further instruments of assumption or other documents of further assurance as each Seller may reasonably request in advance of the Closing.

ARTICLE 14 TERMINATION

Section 14.1 Right to Terminate Agreement. This Agreement may be terminated and the Contemplated Transactions may be abandoned at any time prior to the Closing (the actual date on which this Agreement is terminated being referred to herein as the "Termination Date"):

(a) by the Buyers or the Sellers, if the Closing has not occurred on or before April 3, 2012 (the "Outside Date"), unless such failure to close is due to the failure of the party seeking to terminate this Agreement to comply fully with its obligations under this Agreement;

(b) by mutual written consent of the Buyers and the Sellers, subject to any necessary Bankruptcy Court approval;

(c) by the Buyers, if (i) any of the conditions in Article 12 have not been satisfied or if satisfaction of any such condition is or becomes impossible as of the Outside Date (other than through the failure of a Buyer to comply with such Buyer's obligations under this Agreement), and (ii) is not cured within thirty (30) days after the Buyers gives the Sellers written notice identifying in reasonable detail any such failure;

(d) by the Sellers, if (i) any of the conditions in Article 12 have not been satisfied or if satisfaction of any such condition is or becomes impossible as of the Outside Date (other than through the failure of a Seller to comply with such Seller's obligations under this Agreement), and (ii) is not cured within thirty (30) days after the Sellers gives the Buyers written notice identifying in reasonable detail any such failure;

(e) by either the Sellers or the Buyers, if any court or Governmental Authority has issued a final and non-appealable order, decree or ruling permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; or

(f) automatically, upon the closing of a sale of the Business to a Competing Bidder if the Bankruptcy Court shall have entered an Order approving a Competing Bid.

Section 14.2 Effect of Termination. Upon the termination of this Agreement pursuant to Section 14.1, the Buyers shall promptly cause to be returned to the Sellers all documents and information obtained in connection with this Agreement and the Contemplated Transactions and all documents and information obtained in connection with the Buyers' investigation of the Business, including any copies made by or supplied to the Buyers or any of the Buyers' respective agents of any such documents or information.

Section 14.3 Remedies. Notwithstanding anything herein to the contrary, the Buyers' exclusive remedies for termination of this Agreement pursuant to Section 14.1(f) hereof prior to Closing shall be, if available, their right to the Break-Up Fee solely as provided in the Interim Order and only under the terms and conditions described therein. No party shall be entitled to specific performance.

ARTICLE 15 AGREEMENT CONVENTIONS

Section 15.1 Further Assurances. Each party agrees, at any time and from time to time after the Closing Date, upon reasonable request from the other party, to do, execute, acknowledge and deliver, as appropriate, such further acts, deeds, assignments, transfers, conveyances, assumptions, and powers of attorney as may reasonably be required for (a) the better assigning, transferring, granting, conveying, assuming, assuring and confirming to such other party, or its successors and assigns, of any of the assets, properties or liabilities to be assigned to it, or (b) the reassignment or return to each Seller of assets that may have been inadvertently assigned, transferred or delivered to a Buyer but should not have been so assigned, transferred or delivered, in each case as provided in the Transaction Documents.

Section 15.2 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under the Transaction Documents shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (c) sent by next-day or overnight mail or courier or (d) sent by facsimile transmission. All such notices, requests, demands, waivers and other communication shall be deemed to have been received (i) if by personal delivery, upon delivery, (ii) if by certified or registered mail, on the third Business Day after the mailing thereof, (iii) if by next-day or overnight mail or courier, on the Business Day after such mailing, (iv) if by facsimile, three hours after the sender receives a fax confirmation, unless the fax is sent after 5:00 p.m. on a Business Day or on a non-business day, in which case it shall be deemed received on the next Business Day.

If to US Buyer or Canadian Buyer:

Avnet, Inc.
2211 S. 47th Street
Phoenix, Arizona 85034
Attention: David R. Birk, Senior Vice President & General Counsel

Tel: 480-643-7753
Fax: 480-643-7877

with a copy to:

Squire, Sanders & Dempsey L.L.P.
1 E. Washington Street
Suite 2700
Phoenix, Arizona 85004
Attention: Frank L. Placenti, Esq.

Tel: 602-528-4004
Fax: 602-253-8129

If to Nexicore or Parent, to:

Hartford Computer Group, Inc.
c/o Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: John P. Sieger

Tel: (312) 902-5294
Fax: (312) 902-1061

or, in each case, to such other address as may be specified in writing to the other parties.

Any party may give any notice, instruction or communication in connection with the Transaction Documents using any other means (including personal delivery, telecopy or ordinary mail), but no such notice, instruction or communication shall be deemed to have been delivered unless and until it is actually received by the party to whom it was sent. Any party may change the address to which notices, instructions, or communications are to be delivered by giving the other parties to the Transaction Documents notice thereof in the manner set forth in this Section 15.2.

Section 15.3 Assignment. This Agreement may not be assigned by either party, provided, however, that each Buyer may assign any or all of such Buyer's rights and delegate any or all of such Buyer's duties under this Agreement to any Affiliate of such Buyer, but no assignment shall relieve a Buyer of its obligations under this Agreement. Subject to the foregoing, this Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective successors, heirs and permitted assigns.

Section 15.4 Entire Agreement; Amendment; Governing Law; Etc. The Transaction Documents (together with the Exhibits and Schedules thereto) embody the entire agreement and understanding among the parties hereto with respect to the subject matter thereof. The Transaction Documents may be amended, modified, waived, discharged or terminated only by (and any consent hereunder shall be effective only if contained in) an instrument in writing signed by the party against which enforcement of such amendment, modification, waiver,

discharge, termination or consent is sought. The Transaction Documents shall be construed in accordance with and governed by the laws of the State of Delaware as it applies to contracts to be performed entirely within Delaware.

Section 15.5 Consent to Jurisdiction. THE BANKRUPTCY COURT SHALL HAVE JURISDICTION OVER ALL MATTERS, INCLUDING, BUT NOT LIMITED TO, ANY LEGAL ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY AND THE INTERPRETATION, IMPLEMENTATION AND ENFORCEMENT OF THIS AGREEMENT, AND THE PARTIES HERETO IRREVOCABLY SUBMIT AND CONSENT TO SUCH JURISDICTION.

Each Buyer and each Seller further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth in Section 15.2 shall be effective service of process for any action, suit or proceeding with respect to any matters to which it has submitted to jurisdiction as set forth above. Each Buyer and each Seller irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the Bankruptcy Court, and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. In the event that a court should find that subject matter jurisdiction is not available in the Bankruptcy Court, the Buyers and the Sellers hereby agree to submit any and all disputes arising out of this Agreement to the jurisdiction and venue of the U.S. District Court for the Northern District of Illinois.

Section 15.6 Costs. If any legal Action or any arbitration or other proceeding is brought because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that Action or proceeding, in addition to any other relief to which it or they may be entitled.

Section 15.7 Expenses. Except as set forth herein, each party will bear its own expenses in connection with the transactions described herein (including without limitation all fees of counsel, consultants, and accountants).

Section 15.8 Severability. Any term or provision of the Transaction Documents that is invalid or unenforceable in any jurisdiction, as to such jurisdiction, shall be ineffective to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining terms and provisions of the Transaction Documents or affecting the validity or enforceability of any of the terms or provisions of the Transaction Documents in any other jurisdiction.

Section 15.9 Reliance on Counsel and Other Advisors. Each party has consulted such legal, financial, technical or other experts as it deems necessary or desirable before entering into the Transaction Documents. Each party represents and warrants that it has read, knows, understands and agrees with the terms and conditions of the Transaction Documents.

Section 15.10 Exhibits and Schedules. Each of the Exhibits and Schedules referred to in the Transaction Documents and attached thereto is an integral part of the Transaction Documents and is incorporated in the respective Transaction Documents by this reference.

Section 15.11 Rules of Construction. Unless the context otherwise requires: (a) a term has the meaning assigned to it; (b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP; (c) references in the singular or to “him,” “her,” “it,” “itself,” or other like references, and references in the plural or the feminine or masculine reference, as the case may be, shall also, when the context so requires, be deemed to include the plural or singular, or the masculine or feminine reference, as the case may be; (d) the use of the word “including” shall mean including, without limitation, with regard to the items listed thereafter; (e) provisions apply to successive events and transactions; (f) references to Articles, Sections, Schedules and Exhibits in a Transaction Document shall refer to Articles, Sections, Schedules and Exhibits of that Transaction Document, unless otherwise specified; (g) the headings in the Transaction Documents are for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of the respective Transaction Documents or any provision thereof; (h) the Transaction Documents shall be construed without regard to any presumption or other rule requiring construction against the party that drafted and caused the Transaction Documents to be drafted; (i) the use of the term “specific” in relation to a subject means relating exclusively to that subject; and (j) references to “commercially reasonable efforts” in the Transaction Documents shall require the efforts that a prudent person desirous of achieving a commercially reasonable result would use in similar circumstances to achieve a result within a commercially reasonable time.

Section 15.12 Currency. Unless otherwise indicated all dollar amounts referred to in this Agreement, including the symbol \$, refer to lawful money of the United States.

Section 15.13 Counterparts. This Agreement may be executed in two or more counterparts, and with counterpart signature pages, each of which shall be an original, but all of which together shall constitute one and the same Agreement, binding on all of the parties hereto notwithstanding that all such parties have not signed the same counterpart. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in “portable document format” (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

[Remainder of page intentionally left blank]

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

BUYERS:

US BUYER

AVNET, INC.

By: _____



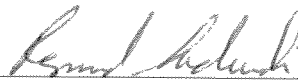
Name: David R. Birk

Title: Sr. Vice President

CANADIAN BUYER

AVNET INTERNATIONAL (CANADA) LTD.

By: _____



Name: Raymond Sadowski

Title: Vice President

SELLERS:

NEXICORE

NEXICORE SERVICES, LLC

By: _____

Name: _____

Title: _____

PARENT

HARTFORD COMPUTER GROUP, INC.

By: _____

Name: _____

Title: _____

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

BUYERS:

US BUYER

AVNET, INC.

By: _____
Name: _____
Title: _____

CANADIAN BUYER


AVNET INTERNATIONAL (CANADA) LTD.

By: _____
Name: _____
Title: _____

SELLERS:

NEXICORE

NEXICORE SERVICES, LLC

By:  _____
Name: Brian Mittman
Title: Manager

PARENT

HARTFORD COMPUTER GROUP, INC.


By:  _____
Name: Brian Mittman
Title: President and CEO

EXHIBIT A

Example of Working Capital Statement

Current Assets

Accounts Receivable

Inventory

Prepaid Expenses and Other

Total Current Assets

Current Liabilities

Accounts Payable

Accrued Expenses

Deferred Revenue

Total Current Liabilities

Working Capital

(current assets minus current liabilities)

ESCROW AGREEMENT

This Escrow Agreement dated this [] day of [], 2012 (this "Escrow Agreement"), is entered into by and among Avnet, Inc., a New York corporation ("US Buyer"), Avnet International (Canada) Ltd., an Ontario corporation ("Canadian Buyer" and together with US Buyer, "Buyers"), Hartford Computer Group, Inc. ("Parent") and Nexicore Services, LLC, (together with Parent, "Sellers"), and Wells Fargo Bank, National Association, as escrow agent ("Escrow Agent"). The Sellers and Buyers are collectively referred to as the "Parties," and each individually as a "Party".

RECITALS

A. Reference is made to that certain Asset Purchase Agreement dated December 12, 2011 by and among Buyers and Sellers (the "Purchase Agreement"), for the purchase of certain assets owned by Sellers in the operation of the Business. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Purchase Agreement.

B. Section 3.2(e) of the Purchase Agreement provides for the delivery of One Million Three Hundred Thousand Dollars (\$1,300,000) (the "US Escrow Amount") and Two Hundred Thousand Dollars (\$200,000) (the "Canadian Escrow Amount" and, together with the US Escrow Amount, the "Escrow Amount") to the Escrow Agent at the Closing, such funds to be held and disbursed by the Escrow Agent in accordance with the terms and conditions of the Purchase Agreement and this Escrow Agreement.

C. This Escrow Agreement and the Escrow Amount will be used to (i) to effectuate the Buyer Share True-Up; (ii) to pay any Final Closing US Working Capital Adjustment owed to US Buyer, if any, pursuant to the terms of Section 3.4(a) of the Purchase Agreement; and (iii) to pay any Final Closing Canadian Working Capital Adjustment owed to Canadian Buyer, if any, pursuant to the terms of Section 3.4(b) of the Purchase Agreement, all in accordance with the terms of this Escrow Agreement and the Purchase Agreement.

AGREEMENT

In consideration of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1 ESCROW DEPOSIT

Section 1.1 Receipt of Escrow Property. Pursuant to the terms of the Purchase Agreement, on the date hereof, the US Buyer and Canadian Buyer hereby deliver to the Escrow Agent, and the Escrow Agent hereby acknowledges receipt of, the Escrow Amount in immediately available funds by wire transfer into an account (the "Account"). The term "Escrow Property" as used herein means an amount equal to the sum of (a) the Escrow Amount, less (b) disbursements or payments thereof authorized and made hereunder.

Section 1.2 Investments.

(a) The Escrow Agent is authorized and directed to deposit, transfer, hold and invest the Escrow Property and any investment income thereon in the Wells Fargo Money Market Deposit Account ("MMDA") as set forth in Exhibit A hereto, or as set forth in any subsequent Joint Written Direction. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.5 of this Escrow Agreement. "Joint Written Direction" shall mean a written direction executed by Sellers' Representative and Buyers and directing Escrow Agent to disburse all or a portion of the Escrow Property or to take or refrain from taking an action pursuant to this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations or advice.

Section 1.3 Disbursements.

(a) Within two (2) days of the final determination of (i) the Final Closing US Working Capital Adjustment, calculated in accordance with Section 3.4(a)(v) of the Purchase Agreement, and (ii) the Final Closing Canadian Working Capital Adjustment, calculated in accordance with Section 3.4(b)(v) of the Purchase Agreement, the Parties shall prepare and deliver a Joint Written Direction directing the disbursement of the US Escrow Amount from the Account, and the Canadian Escrow Amount from the Account. The Escrow Agent shall use its best efforts to disburse the amounts set forth in such Joint Written Direction on the next business day (and in no event later than one (1) business day following receipt of the Joint Written Direction), pursuant to the instructions set forth therein. The Escrow Agent shall disburse Escrow Property from the Account only in accordance with a Joint Written Direction or as directed by a final award determined by a court of competent jurisdiction.

(b) The Escrow Agent shall disburse Escrow Property at any time, upon receipt of, and in accordance with, a Joint Written Direction. Such Joint Written Direction shall contain wire or other delivery instructions for the disbursement from the Escrow Property.

Section 1.4 Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned by Sellers in accordance with their respective Seller Pro Rata Share, as described on Exhibit D attached hereto, whether or not such income was disbursed during such calendar year.

(b) Prior to Closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.4(c) is in addition to the indemnification provided in Section 3.1 and shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 1.5 Termination. Upon the disbursement of all of the Escrow Property, including any interest and investment earnings thereon, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Section 1.4(c), Section 3.1 and Section 3.2 hereof shall survive termination.

ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1 Agent. Buyers and Sellers each hereby appoint and designate the Escrow Agent as escrow agent for the purposes set forth herein and the Escrow Agent hereby accepts such appointment and agrees to accept, hold and disburse the Escrow Property in accordance with the terms hereof. All references to the “**Escrow Agent**,” as that term is used herein, shall refer to the Escrow Agent solely in its capacity as such, and not in any other capacity whatsoever, whether as individual, agent, fiduciary, trustee or otherwise. The Escrow Agent shall have no obligation to assure or participate in the enforcement or performance of the Purchase Agreement whether or not the Escrow Agent shall have knowledge or notice of the terms thereof, or any acts or omissions relating thereto.

Section 2.2 Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow

Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.3 Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in good faith and in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.4 Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of Exhibit B-1 and Exhibit B-2 to this Escrow Agreement.

Section 2.5 Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 2.6 No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 3

PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1 Indemnification. The Parties, jointly and severally, shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, attorneys' fees and expenses or other

professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by the willful misconduct or gross negligence of the Escrow Agent. Sellers and Buyers agree that as between themselves (a) Sellers shall be responsible for 50% of the aggregate of all amounts payable to the Escrow Agent pursuant to the preceding sentence and (b) Buyers shall be responsible for 50% of the aggregate of all amounts payable to the Escrow Agent pursuant to the preceding sentence, and each shall reimburse the other to the extent that the other pays more than 50% of the aggregate of such amounts. The provisions of this Section 3.1 shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 3.2 Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3 Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a Joint Written Direction of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective thirty (30) days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a Joint Written Direction filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4 Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid 50% by Buyers and 50% by Sellers. If either Party does not pay its portion of the compensation when due, the other Party may, but shall not be obligated to, pay such amount, and be entitled to reimbursement. The fee agreed upon for the services rendered hereunder is intended as compensation for a period of six (6) months for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any

assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Property.

Section 3.5 Disagreements. If any conflict, disagreement or dispute arises between, among or involving any of the Parties concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement (except disbursement of the Escrow Property which is governed by Section 1.3), or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a Joint Written Direction directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision or Joint Written Direction, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Escrow Agent shall be entitled to act on any such agreement, court order or arbitration decision without further question, inquiry or consent.

Section 3.6 Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7 Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent (a) is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction and (b) shall provide Buyers and Sellers with prompt written notice of any such events. In the event that the

Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

ARTICLE 4 MISCELLANEOUS

Section 4.1 Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2 Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3 Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by electronic transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service, or (iv) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States mail. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to US Buyer or Canadian Buyer:

Avnet, Inc.

2211 S. 47th Street
Phoenix, Arizona 85034
Attention: David R. Birk, Senior Vice President & General Counsel
Tel: 480-643-7753
Fax: 480-643-7877
Email: David.Birk@avnet.com

with a copy (which shall not constitute notice) to:

Squire, Sanders & Dempsey L.L.P.
1 E. Washington Street
Suite 2700
Phoenix, Arizona 85004
Attention: Frank L. Placenti, Esq.
Tel: 602-528-4004
Fax: 602-253-8129
Email: Frank.Placenti@ssd.com

If to Sellers to:

Hartford Computer Group, Inc.
c/o Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: John P. Sieger
Tel: (312) 902-5294
Fax: (312) 902-1061
Email: john.sieger@kattenlaw.com

If to the Escrow Agent:

Wells Fargo Bank, National Association
CMES – MAC A0119-181
333 Market Street, 18th Floor
San Francisco, CA
Telephone: 415-371-3358
Facsimile: 415-371-3400
Email: Shelene.r.perriard@wellsfargo.com

Section 4.4 Governing Law; Consent to Jurisdiction. This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. THE BANKRUPTCY COURT SHALL HAVE JURISDICTION OVER ALL MATTERS, INCLUDING, BUT NOT LIMITED TO, ANY LEGAL ACTION, SUIT OR

PROCEEDING ARISING OUT OF OR RELATING TO THIS ESCROW AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THE INTERPRETATION, IMPLEMENTATION AND ENFORCEMENT OF THIS ESCROW AGREEMENT, AND THE PARTIES HERETO IRREVOCABLY SUBMIT AND CONSENT TO SUCH JURISDICTION

Section 4.5 Entire Agreement. This Escrow Agreement sets forth the entire agreement and understanding of the parties related to the Escrow Property, and superseded and preempt all prior oral or written understandings and agreements with respect to the subject matter hereof, and shall not be modified or affected by any offer, proposal, statement or representation, oral or written, made by or for any party in connection with the negotiation of the terms hereof.

Section 4.6 Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7 Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8 Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9 Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of
the date first written above.

AVNET, INC.

By: _____
Name: David R. Birk
Title: Senior Vice President &
General Counsel

**AVNET INTERNATIONAL (CANADA)
LTD.**

By: _____
Name: _____
Title: _____

**HARTFORD COMPUTER GROUP,
INC.**

By: _____
Name: _____
Title: _____

NEXICORE SERVICES, LLC

By: _____
Name: _____
Title: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent**

By: _____
Name: _____
Title: _____

EXHIBIT A

**Agency and Custody Account Direction
For Cash Balances
Wells Fargo Money Market Deposit Accounts**

Direction to use the following Wells Fargo Money Market Deposit Accounts for Cash Balances for the escrow account (the "Account") established under this Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as we shall direct further in writing from time to time, all cash in the Account in the following money market deposit account of Wells Fargo Bank, National Association:

X.....**Wells Fargo Money Market Deposit Account (MMDA)**

We understand that amounts on deposit in the MMDA are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

We acknowledge that we have full power to direct investments of the Account.

We understand that we may change this direction at any time and that it shall continue in effect until revoked or modified by us by written notice to you.

AVNET, INC.

By: _____
Name: David R. Birk
Title: Senior Vice President &
General Counsel

**AVNET INTERNATIONAL (CANADA)
LTD.**

By: _____
Name: _____
Title: _____

**HARTFORD COMPUTER GROUP,
INC.**

By: _____

Name: _____

Title: _____

NEXICORE SERVICES, LLC

By: _____

Name: _____

Title: _____

EXHIBIT B-1

Certificate as to Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of US Buyer and Canadian Buyer and are authorized to initiate and approve transactions of all types for the escrow account established under the Escrow Agreement to which this Exhibit B-1 is attached, on behalf of such Buyer.

For the US Buyer:
Name / Title

Specimen Signature

David R. Birk
Senior Vice President &
General Counsel

Signature

Raymond Sadowski
Senior Vice President &
Chief Financial Officer

Signature

For the Canadian Buyer:
Name / Title

Specimen Signature

David R. Birk
Vice President

Signature

Raymond Sadowski
Director

Signature

EXHIBIT B-2

Certificate as to Sellers

The specimen signature shown below is the specimen signature of the individual who has been designated as the authorized representative of Sellers and is authorized to initiate and approve transactions of all types for the escrow account established under the Escrow Agreement to which this Exhibit B-2 is attached, on behalf of Sellers.

Name / Title

Specimen Signature

[_____]

Signature

[_____]

Signature

EXHIBIT C

FEES OF ESCROW AGENT
Fee Schedule for Escrow Agent for the
Escrow Account

Acceptance Fee:	WAIVED
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Initial Fees as they relate to Wells Fargo Bank acting in the capacity of Escrow Agent – includes creation and examination of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Accounts.

Acceptance Fee payable at time of Escrow Agreement execution.

Escrow Agent Annual Administrative Fee:	\$2,500.00
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For ordinary administration services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wires and check processing); monitoring Joint Written Instructions and other notices pursuant to the agreement; disbursement of the funds in accordance with the agreement; and mailing of trust account statements to all applicable parties.

Tax reporting is included for up to Five (5) entities. If additional reporting is necessary, or tax reporting is required for foreign entities, a \$25 per report charge will be assessed.

This fee is Payable in advance, with the first installment due at the time of Escrow Agreement execution. Fee will not be prorated in case of early termination.

Wells Fargo's bid is based on the following assumptions:

- Number of Escrow Accounts to be established: Two (2)
- Number of Deposits to Escrow Account: Not more than Two (2)
- Number of Withdrawals from Escrow Fund: Not more than Ten (10)
- Term of Escrow: Not more than Six (6) months
- This fee schedule assumes that balances in the escrow account will be invested in money market funds or "depository account" that Wells Fargo has a relationship with
- All funds will be received from or distributed to a domestic or an approved foreign entity
- If the account(s) does not open within three (3) months of the date shown below, this proposal will be deemed null and void

Out-of-Pocket Expenses:	At Cost
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We only charge for out-of-pocket expenses in response to specific tasks assigned by the client. Therefore, we cannot anticipate what specific out-of-pocket items will be needed

or what corresponding expenses will be incurred. Possible expenses would be, but are not limited to, express mail and messenger charges, travel expenses to attend closing or other meetings. There are no charges for indirect out-of-pocket expenses.

This fee schedule is based upon the assumptions listed above which pertain to the responsibilities and risks involved in Wells Fargo undertaking the role of Escrow Agent. These assumptions are based on information provided to us as of the date of this fee schedule. Our fee schedule is subject to review and acceptance of the final documents. Should any of the assumptions, duties or responsibilities change, we reserve the right to affirm, modify or rescind our fee schedule.

EXHIBIT D

Seller Pro Rata Share

TRADEMARK LICENSE AGREEMENT

This TRADEMARK LICENSE AGREEMENT (this "Agreement") is made and effective as of _____, 2012 (the "Effective Date") by and between Hartford Computer Group, Inc., a Delaware corporation (the "Licensor"), Avnet, Inc., a New York Corporation (the "US Licensee") and Avnet International (Canada) Ltd., an Ontario corporation (the "Canadian Licensee" and together with US Licensee, the "Licensees" and individually, a "Licensee"). Licensor and Licensees are sometimes referred to herein individually as a "party," and collectively, the "parties".

RECITALS

A. Reference is made to that certain Asset Purchase Agreement dated December 12, 2011 by and among Licensor, Licensees and Nexicore Services, LLC (the "Purchase Agreement"), for the purchase of certain assets owned by Sellers in the operation of the Business. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Purchase Agreement.

B. Licensor is the sole owner of the names and marks set forth on Exhibit A hereto (the "Marks").

C. Pursuant to the terms of the Purchase Agreement, Licensor has agreed to grant the Licensees a 6-month, royalty-free, non-exclusive, non-transferable, non-assignable, non-sublicensable, worldwide license to use the Licensed Marks (as defined below) subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 **LICENSE GRANT**

1.1 License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to each Licensee, and each Licensee hereby accepts from Licensor, a non-exclusive, non-transferable, non-assignable, non-sublicensable, royalty-free, worldwide right to use the Marks and any name or mark derived from or including the Marks, including all corporate symbols or logos incorporating the Mark (collectively, the "Licensed Marks"), solely and exclusively in connection with the operation of the Business. Except as expressly provided above, no Licensee shall otherwise use the Licensed Marks without the prior express written consent of the Licensor. All rights not expressly granted to the Licensees hereunder shall remain the exclusive property of Licensor.

1.2 Licensor's Use. Subject to Licensor's non-competition covenants contained in Section 7.5 of the Purchase Agreement, nothing in this Agreement shall preclude Licensor, its affiliates, or any of its respective successors or assigns from using or permitting other entities to

use the Licensed Marks. Notwithstanding anything herein to the contrary, Licensees acknowledge and agree that licenses of the Licensed Marks previously granted by Licensor to third parties shall not constitute a violation of the non-competition covenants contained in Section 7.5 of the Purchase Agreement.

ARTICLE 2 **OWNERSHIP**

2.1 Ownership. Each Licensee acknowledges and agrees that Licensor is the owner of all right, title, and interest in and to the Licensed Marks, and all such right, title, and interest shall remain with the Licensor. No Licensee shall contest, dispute, or challenge Licensor's right, title, and interest in and to the Licensed Marks.

2.2 Goodwill. All goodwill and reputation generated by Licensees' use of the Licensed Marks shall inure to the benefit of Licensor. No Licensee shall by any act or omission use the Licensed Marks in any manner that disparages or reflects adversely on Licensor or its business or reputation.

ARTICLE 3 **COMPLIANCE**

3.1 Compliance With Laws. The Licensees agree that the use of the Licensed Marks shall comply with all laws, rules, regulations and requirements of any governmental body as may be applicable to the operation, advertising and promotion of the Business.

3.2 Notification of Infringement. Each party shall immediately notify the other party and provide to the other party all relevant background facts upon becoming aware of (i) any registrations of, or applications for registration of, marks that conflict with the Licensed Marks, and (ii) any known or suspected infringements, imitations, or illegal use or misuse of the Licensed Marks.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES**

4.1 Mutual Representations. Each party hereby represents and warrants to the other party as follows:

(a) Due Authorization. The execution, delivery and performance of this Agreement by such party has been duly authorized by all necessary action on the part of such party.

(b) Due Execution. This Agreement has been duly executed and delivered by such party and, with due authorization, execution and delivery by the other party, constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

ARTICLE 5
TERM AND TERMINATION

5.1 Term. This Agreement shall expire six (6) months following the Effective Date.

5.2 Upon Termination. Upon expiration or termination of this Agreement, Licensee shall immediately cease all uses of the Licensed Marks.

ARTICLE 6
INDEMNIFICATION

6.1 Licensor Indemnity. Licensor shall defend, indemnify and hold harmless Licensees and their respective Affiliates, successors and assigns, and its and their respective officers, directors, employees, agents, attorneys and representatives, from and against any and all Losses to the extent resulting from or arising out of third-party claims, actions or proceedings brought against a Licensee (a) based on any breach of any covenant or agreement of Licensor contained in this Agreement or (b) alleging that the Licensed Marks infringe such third party's intellectual property rights.

6.2 Licensee Indemnity. Licensee shall defend, indemnify and hold harmless Licensor and its Affiliates, successors and assigns, and its and their respective officers, directors, employees, agents, attorneys and representatives, from and against any and all Losses to the extent resulting from or arising out of (a) any breach of this Agreement by either Licensee, (b) Licensee's willful misconduct and/or (c) any use by Licensee of the Licensed Marks in any way that is inconsistent with the permitted use set forth in Section 1.2.

ARTICLE 7
DISCLAIMER AND LIMITATION OF LIABILITY

7.1 Disclaimer of Warranties. THE LICENSED MARKS ARE LICENSED HEREUNDER ON AN "AS IS" BASIS. LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, RELATING TO THE LICENSED MARKS OR THE USE THEREOF, AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, HEREBY DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES.

ARTICLE 8
MISCELLANEOUS

8.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Licensees, without the consent of the Licensor, and Licensor, without the consent of Licensees, may not assign, delegate or otherwise transfer this Agreement or any of its rights or obligations hereunder. No assignment by a party permitted hereunder shall relieve the applicable party of its obligations under this Agreement. Any assignment by a party in accordance with the terms of this Agreement shall be pursuant to a written assignment agreement in which the assignee expressly assumes the assigning party's rights and obligations hereunder.

8.2 Independent Contractor. No Licensees, on the one hand, nor Licensor, on the other hand, shall have, or shall represent that it has, any power, right or authority to bind the other party(ies) to any obligation or liability, or to assume or create any obligation or liability on behalf of the other party(ies).

8.3 Injunctive Relief. Licensees acknowledge and agree that in the event of any breach of this Agreement by either Licensee, Licensor will be irreparable and immediately harmed and unable to be made whole by monetary damages. It is accordingly agreed that, in the event of any actual or threatened breach of this Agreement by either Licensee, Licensor, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to injunctive and other equitable relief to remedy any such breach and/or to compel specific performance. Licensees hereby waive any requirement of proving monetary damages or of posting of a bond or other security in the event that Licensor seeks equitable relief.

8.4 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service (with signature required), by facsimile, or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses:

If to the Licensor:

Hartford Computer Group, Inc.
c/o Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: John P. Sieger
Tel: (312) 902-5294
Fax: (312) 902-1061

If to the US Licensee or Canadian Licensee:

Avnet, Inc.
2211 S. 47th Street
Phoenix, Arizona 85034
Attention: David R. Birk, Senior Vice President & General Counsel
Tel: 480-643-7753
Fax: 480-643-7877

with a copy to:

Squire, Sanders & Dempsey L.L.P.
1 E. Washington Street
Suite 2700
Phoenix, Arizona 85004
Attention: Frank L. Placenti, Esq.
Tel: 602-528-4004
Fax: 602-253-8129

8.5 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without giving effect to the principles of conflicts of law rules. Each of the Licensees and Licensor hereby irrevocably submits to the exclusive jurisdiction of the Chancery Court of the State of Delaware for the purposes of any suit, action or other proceeding arising out of this Agreement. Each party hereto further agrees that service of any process, summons, notice or document by United States certified or registered mail to such party's address set forth in Section 8.4 or such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party shall be effective service of process in any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the Chancery Court of the State of Delaware and hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum

8.6 No Waiver. The failure of either party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such party thereafter to enforce such provisions, and no waiver shall be binding unless executed in writing by all parties hereto.

8.7 Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

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

8.9 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect to such subject matter.

8.10 Third-Party Beneficiaries. Nothing in this Agreement, either express or implied, is intended to or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed as of the Effective Date by its duly authorized officer.

US LICENSEE

AVNET, INC.

By: _____
Name: _____
Title: _____

CANADIAN LICENSEE

AVNET INTERNATIONAL (CANADA) LTD.

By: _____
Name: _____
Title: _____

LICENSOR

HARTFORD COMPUTER GROUP, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Marks

Hartford Computer Group and associated U.S. Registration No. [2236684]



CANADIAN TAX ESCROW AGREEMENT

THIS AGREEMENT (this “**Agreement**”) made as of the <> day of <>, 2012.

A M O N G :

HARTFORD COMPUTER GROUP, INC.

(“Seller”)

- and -

AVNET INTERNATIONAL (CANADA) LTD.

(“Canadian Buyer”)

- and -

FRASER MILNER CASGRAIN LLP

(“Escrow Agent”)

WHEREAS, pursuant to that certain Asset Purchase Agreement entered into as of December ____, 2011 (the “**Purchase Agreement**”), by and among Seller, Nexicore Services, LLC, Avnet, Inc. and Canadian Buyer, Seller agreed to sell to Canadian Buyer and Canadian Buyer agreed to purchase from Seller the Canadian Assets (as described in the Purchase Agreement);

AND WHEREAS, pursuant to subsection 9.5(g) of the Purchase Agreement, the parties to the Purchase Agreement agreed that, if certain Certificates of Compliance having a “certificate limit”, proposed proceeds of disposition or other relevant amount fixed therein, as described therein have not been delivered to the Canadian Buyer on or before the date of a Canadian Buyer Payment payable under the Purchase Agreement, a portion of such Canadian Buyer Payment shall be deposited with the Escrow Agent and held in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration (receipt of which the parties hereto hereby acknowledge), the parties hereto hereby agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, capitalized terms used herein but not otherwise defined herein shall have the respective meanings attributed to them in the Purchase Agreement.

1.2 General

Headings in this Agreement are inserted for convenience of reference only and not for the purposes of interpretation. Unless otherwise specified, monetary references are to Canadian dollars. References to Articles, sections and subsections are to those of this Agreement. Anything to be done or held on a day that is not a business day, shall be done or held on the next succeeding business day. Words in the singular shall include the plural and vice versa.

1.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

ARTICLE 2

APPOINTMENT OF ESCROW AGENT AND DELIVERY OF WITHHELD AMOUNTS

2.1 Appointment

Seller and Canadian Buyer (together the "**Transaction Parties**") hereby jointly appoint the Escrow Agent as escrow agent under this Agreement and the Escrow Agent acknowledges and confirms this appointment.

2.2 Acknowledgement of Deliveries of Withheld Amounts

- (a) The parties hereto acknowledge Canadian Buyer's delivery to the Escrow Agent on the date hereof of the amount of **[TBD]** Dollars (\$ **[TBD]**) (the "**Closing Cash Withheld Amount**"), which is the aggregate of the amounts withheld with respect to each category of Canadian Assets as set out in Schedule A and is otherwise in accordance with the terms of Section 9.5(g) of the Purchase Agreement.
- (b) The parties hereto acknowledge and agree that additional amounts may be delivered to the Escrow Agent in accordance with Section 9.5(g) of the Purchase Agreement on or prior to a release of a portion of the Canadian Escrow Amount pursuant to Section 3.4(b)(v) of the Purchase Agreement or a payment of the Canadian Buyer's portion of an Earnout Amount. The amounts (if any) paid to the Escrow Agent as described above are herein referred to as, respectively, the "**Closing Escrow Withheld Amount**" and the "**Earnout Withheld Amount(s)**", and together with the Closing Cash Withheld Amount are herein referred to as the "**Withheld Amounts**" and individually a "**Withheld Amount**". The Withheld Amounts, together with the interest earned thereon, shall be released or returned from escrow in the manner this Agreement prescribes.

ARTICLE 3

INVESTMENT OF WITHHELD AMOUNTS

3.1 Direction re Investment

The Transaction Parties hereby authorize and direct the Escrow Agent to invest and from time to time re-invest the Withheld Amounts with all interest or income accrued on the amount in the manner Seller and Canadian Buyer mutually direct as long as the manner of investment is agreed to

in writing by the Escrow Agent, such agreement not to be unreasonably withheld (the “**Approved Investments**”). No investment shall have a maturity date greater than one (1) month from the date of the investment, with all interest on it to be credited in the manner prescribed below and, in any event, shall permit the payment of any Withheld Amount to the Seller or CRA as provided for herein. If no mutual written agreement as to the Approved Investments exists for any amount of the Withheld Amounts, the Escrow Agent shall deposit the amount in a daily interest bearing account with the Escrow Agent’s bank until the parties otherwise mutually agree in writing.

3.2 Interest on Withheld Amounts

Seller shall be entitled to all interest or income earned on the Withheld Amounts from time to time and, subject to earlier payment as provided in subsections 4.1(b), 4.1(c) and 4.1(e) and subject to Section 5.5, such interest shall be paid by the Escrow Agent to the Seller (less any applicable withholding Taxes) upon the termination of the Escrow Agent's (including any successor Escrow Agent's) duties hereunder.

ARTICLE 4 RELEASES OF WITHHELD AMOUNTS

4.1 Release of Withheld Amounts

- (a) The Withheld Amounts, as applicable, must be released by the Escrow Agent to Seller or remitted to the CRA as provided for in the Purchase Agreement and in accordance with this Agreement.
- (b) If, on or before the twenty-eighth day of the calendar month following the calendar month (or if such following calendar month is February, the twenty-sixth day) in which Canadian Buyer has delivered a Withheld Amount to the Escrow Agent (the “**Remittance Date**”) as such Remittance Date may be extended pursuant to Section 4.1(c):
 - (i) the Escrow Agent receives a Certificate of Compliance with a “certificate limit” at least equal to the applicable amount described in Section 9.5(g)(ii) or 9.5(g)(iii) of the Purchase Agreement in respect of such Withheld Amount, the Escrow Agent shall, immediately after receipt of such Certificate of Compliance, deliver the applicable Withheld Amount to Seller or as it may in writing direct, together with any interest or income earned thereon (less any applicable withholding Taxes);
 - (ii) the Escrow Agent receives a Certificate of Compliance having a “certificate limit” less than the applicable amount described in Section 9.5(g)(ii) or 9.5(g)(iii) of the Purchase Agreement in respect of such Withheld Amount, the Escrow Agent shall, promptly after receipt of such Certificate of Compliance, (A) remit to the CRA an amount equal to the amount which would have been required to be withheld pursuant to Section 9.5(g)(ii) or 9.5(g)(iii) of the Purchase Agreement in place of such Withheld Amount had the Certificate of Compliance so received been delivered to the Canadian Buyer on or before the date of the Canadian Buyer Payment in respect of which such Withheld Amount was withheld; and (B) remit to Seller or as it may in writing direct, such

portion of the applicable Withheld Amount not required to be remitted to the CRA (if any), together with any interest or income earned thereon (less applicable withholding Taxes); or

- (iii) the Escrow Agent does not receive from Seller any Certificate of Compliance, the Escrow Agent shall remit to the CRA an amount equal to the applicable Withheld Amount.

For the avoidance of doubt, the Escrow Agent shall not remit any amount referred to in this Section 4.1(b) to the CRA before the applicable Remittance Date, as such date may be extended by Section 4.1(c).

- (c) Notwithstanding anything to the contrary in this Section 4.1, if prior to the applicable Remittance Date, the Escrow Agent has received a letter issued by the CRA confirming that the CRA will not enforce the applicable remittance of funds to the CRA within the time as is normally required under subsection 116(5) of the ITA (a "**Comfort Letter**"), the Escrow Agent shall not make any applicable remittance to the CRA, or any other party, on the date that would otherwise be the applicable Remittance Date and such Remittance Date shall be extended indefinitely; provided, however, if after the date that would otherwise be the applicable Remittance Date and prior to the Escrow Agent's receipt of a Certificate of Compliance, the Escrow Agent receives notification from the CRA that the Comfort Letter is no longer in effect, the date of receipt of such notification will be deemed to be the applicable Remittance Date and the Escrow Agent shall make the payments as otherwise required by this Section 4.1.
- (d) Notwithstanding anything to the contrary in this Agreement, if at any time the Escrow Agent receives notice in writing from the CRA either (A) confirming that the Canadian Assets were not "taxable Canadian property" for the purpose of the ITA on the Closing Date; or (B) confirming, in a form reasonably satisfactory to Canadian Buyer and the Escrow Agent, that the CRA will not require remittance of the applicable Withheld Amount to the CRA, the Escrow Agent shall forthwith release the applicable Withheld Amount (or in the case of a notice described in (A), all Withheld Amounts not previously released) to Seller, or as it may direct in writing direct, together with all interest or income earned thereon (less any applicable withholding Taxes).
- (e) For purposes of this Section 4.1 where the Seller has provided to the Canadian Buyer or the Escrow Agent, as the case may be, with a single Certificate of Compliance with a certificate limit, proposed proceeds of disposition or other relevant specified amount, as the case may be, in excess of the amount required (the "**Required Amount**") to ensure that no amount was required to be withheld pursuant to Section 9.5(g)(ii) or 9.5(g)(iii) of the Purchase Agreement in respect of a particular Canadian Buyer Payment, or that a Withheld Amount in respect of a particular Canadian Buyer Payment is released in full to the Seller pursuant to Section 4.1, the Seller shall be deemed to have provided the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, with a Certificate of Compliance having a certificate limit, proposed proceeds of disposition or other relevant specified amount, as the case may be, equal to the Required Amount in respect of such payment, and to have provided the Canadian Buyer or the Canadian Tax Escrow Agent, as the case may be, with a separate Certificate of Compliance having a

certificate limit, proposed proceeds of disposition, or other relevant specified amount, as the case may be, equal to the amount of such excess. For the avoidance of doubt, this Section 4.1(e) shall also apply in respect of any such separate Certificate of Compliance deemed to have been provided.

- (f) Where the Seller has previously delivered Certificates of Compliance to the Canadian Buyer or the Escrow Agent and the Seller is subsequently required to obtain new or amended Certificates of Compliance as a result of post-closing adjustment to the Purchase Price or change in the allocation of Purchase Price, then upon written request from the Seller, which request shall include an assurance that the Seller (or its advisors) has been advised by the CRA that it is prepared to issue new or amended Certificates of Compliance upon receipt of the old certificates, the Canadian Buyer or the Escrow Agent, as the case may be, shall immediately return the original copy of any Certificate of Compliance previously delivered by the Seller, and the Seller shall deliver to the Canadian Buyer or the Escrow Agent, as the case may be, the appropriate copy of the new or amended Certificates of Compliance promptly upon receipt thereof by the Seller from the CRA.

ARTICLE 5 INDEMNITY AND LIABILITY

5.1 Indemnity

In addition to and without limiting any other protection that this Agreement or the law provides to the Escrow Agent, the Transaction Parties jointly and severally shall defend, indemnify and hold the Escrow Agent and its partners harmless from and against all liabilities, losses, claims, damages, penalties, actions, suits, demands, levies, costs, expenses and disbursements, including all legal and adviser fees and disbursements of any kind or nature that may at any time be suffered or incurred by, imposed on or asserted against the Escrow Agent, whether groundless or otherwise, arising in any way from or out of any act or omission of the Escrow Agent, unless arising from the Escrow Agent's gross negligence or wilful misconduct. Notwithstanding any other provision in this Agreement, this indemnity shall survive the Escrow Agent's removal or resignation and termination of this Agreement.

5.2 Liability

The Escrow Agent shall incur no liability hereunder such that, except for its acts of gross negligence or wilful misconduct, the Escrow Agent shall not be liable for any act done or step taken or omitted by it in good faith. The Escrow Agent shall be under no responsibility in respect of any of the Withheld Amounts deposited with it pursuant to this Agreement, except to deal with them in accordance with the provisions of this Agreement and shall have no duties except those which are expressly set forth herein.

5.3 Legal Advice

The Escrow Agent may consult with and obtain advice from legal counsel in the event of any question as to any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion and instructions of such counsel, and the cost of such services shall be added to and be part of the Escrow Agent's expenses hereunder.

5.4 Escrow Agent May Refrain from Acting

In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any of the Transaction Parties or from a third person with respect to any matter arising pursuant to this Agreement which, in its opinion, are in conflict with any provision of this Agreement, it shall be entitled to refrain from taking any action (other than to keep safely the Withheld Amounts) until it shall be directed otherwise by unanimous written direction of Seller and Canadian Buyer or by a certified order or judgment of a court of competent jurisdiction from which no further direct appeal may be taken.

5.5 Costs of the Escrow Agent

It is hereby agreed by the Transaction Parties hereto that the costs, expenses and charges of the Escrow Agent pursuant to this Agreement shall, unless the Transaction Parties agree otherwise, be borne by Seller and Canadian Buyer in equal amounts. The Escrow Agent shall be entitled to pay the portion of its costs, expenses and charges for which the Seller is responsible out of the interest or income earned on the Withheld Amounts.

5.6 Entitlement to Follow Directions

Notwithstanding any other provisions of this Agreement, the Escrow Agent shall be entitled to deal with the Withheld Amounts, or any part thereof, at any time in accordance with written unanimous joint direction from the Transaction Parties.

5.7 Escrow Agent Counsel to Canadian Buyer

Seller acknowledges that the Escrow Agent is acting as counsel to Canadian Buyer in connection with this Agreement and the transactions contemplated by the Purchase Agreement. The parties hereto agree that the Escrow Agent is acting only as a stakeholder and, as such, has no conflict of interest by virtue of the fact that it is acting both as Escrow Agent and counsel to Canadian Buyer. The parties hereto further agree that the Escrow Agent may continue to act for Canadian Buyer in respect of any matter relating to or arising out of this Agreement, the Purchase Agreement, or any matter related to any of such agreements, notwithstanding any dispute between any of the parties to any of such agreements and whether or not the Escrow Agent has resigned or a new Escrow Agent has been appointed in accordance with the terms of this Agreement.

5.8 Garnishment, etc.

If the Withheld Amounts or any part thereof is at any time attached, garnished, or levied upon under any final court order, or in case the payment or delivery of any amount shall be stayed or enjoined by any court order, or in the case any final order, judgment or decree shall be made or entered

by any court affecting such amount, or any part thereof, or affecting any act by the Escrow Agent, then and in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such final order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it.

5.9 Termination of the Escrow Agent's Obligations

The obligations of the Escrow Agent hereunder shall terminate and cease to be of any further force and effect when the Escrow Agent has distributed all of the Withheld Amounts and all interest and income thereon in accordance with the provisions hereof.

ARTICLE 6 MISCELLANEOUS

6.1 Notices

Any notice or request to be given in connection with this Agreement shall be delivered in writing addressed to the Seller and Canadian Buyer at their addresses set out in the Purchase Agreement and to the Escrow Agent, as follows:

Escrow Agent:

77 King Street West, Suite 400
Toronto, ON M5K 0A1
Fax No.: 416-863-4592

Attention: Chris Turney

Any notice delivered shall be deemed to have been given on the day it is delivered unless that day is not a business day, in which case it shall be deemed to have been given on the next business day. Any notice transmitted by facsimile shall be deemed to have been given on the day of transmission if received at or before 5:00 p.m. on a business day, otherwise, it shall be deemed to have been given on the next business day.

6.2 Appointment of New Escrow Agent

- (a) The Escrow Agent may resign and be discharged from all further duties and liabilities after giving at least thirty (30) days' written notice to each Transaction Party; however, shorter notice may be given if the Transaction Parties accept it as sufficient.
- (b) If the Escrow Agent resigns, is removed from office by the mutual decision of the Transaction Parties, or becomes incapacitated to act, the Transaction Parties shall appoint the Escrow Agent's successor at once, which shall be either a firm of lawyers authorized to practise in the Province of Ontario or a trust company qualified to carry on trust business in the Province of Ontario and have no material conflict of interest in the role of fiduciary under this Agreement. If the Transaction Parties fail to appoint the successor, a Judge of the Superior Court of Justice (Ontario) upon any party's application at the Transaction Parties' expense shall appoint the successor. On any new appointment, the new Escrow Agent shall be vested with the same powers, rights,

duties and responsibilities as if it had been named originally as the Escrow Agent without any further assurance, conveyance, act or deed. Any instruments the new Escrow Agent is advised by its counsel, acting reasonably, are necessary or advisable shall be executed immediately at the Transaction Parties' expense.

- (c) Immediately on appointment, any successor Escrow Agent shall become vested with all of its predecessors' estates, properties, rights, powers and trusts, with like effect as if originally named as Escrow Agent; on receiving from each of the Transaction Parties written authorization and direction, the Escrow Agent shall promptly deliver the balance of the Withheld Amounts and any interest or income thereon to the successor Escrow Agent.

6.3 Time

Time shall be of the essence unless the time for doing or completing any matter is extended or abridged by written agreement between the parties.

6.4 Enurement

This Agreement shall enure to the benefit of and bind the parties and their successors and assigns.

6.5 Counterparts

This Agreement may be executed in several counterparts, each of which when executed shall constitute an original document and taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement.

HARTFORD COMPUTER GROUP, INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

I/We have authority to bind the Corporation.

AVNET INTERNATIONAL (CANADA) LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

I/We have authority to bind the Corporation.

FRASER MILNER CASGRAIN LLP

Per: _____

Name: Chris Turney

Title: Partner

Schedule A

<u>Category of Canadian Assets</u>	<u>Purchase Price</u>	<u>Portion of Vendor's Purchase Price Allocated to Non- Depreciable Property</u>	<u>Portion of Vendor's Purchase Price Allocated to Depreciable Property</u>	<u>Withheld Amount for Non- Depreciable Property</u>	<u>Withheld Amount for Depreciable Property</u>	<u>Total Amount Withheld</u>

DISCLOSURE SCHEDULE TO THE ASSET PURCHASE AGREEMENT

The following are exceptions to the representations and warranties made by Hartford Computer Group, Inc., a Delaware corporation (“**Parent**”) and Nexicore Services, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company (“**Nexicore**” and, together with Parent, the “**Sellers**”), in that certain Asset Purchase Agreement, dated as of December 12, 2011 (the “**Agreement**”), by and among the Company, Nexicore, Avnet, Inc., a New York corporation, and Avnet International (Canada) Ltd., an Ontario corporation.

1. The references to sections and subsections in the Disclosure Schedule correspond to the sections and subsections of the Agreement. Information disclosed in a particular section or subsection of the Disclosure Schedule shall be deemed to be disclosed and incorporated into any other section or subsection of the Disclosure Schedule to the extent that the relevance of such information to such other schedule is readily apparent notwithstanding the absence of a cross-reference contained therein.
2. Headings, captions and cross-references in the Disclosure Schedule are for convenience only and shall in no way modify, limit or affect, or be considered in construing or interpreting any information provided herein. References to any contract, plan or other document contained in these Schedules are not intended to summarize or describe such contract, plan or other document, but rather are for convenience only and all such references are qualified in their entirety by the terms of such contract, plan or other document for a full explanation thereof.
3. The information contained in these Schedules is as of the date of the Agreement, but shall not alter the date as of which any representation or warranty is made pursuant to the Agreement.
4. The inclusion of any information on any part of these Schedules shall not be deemed to be an admission or acknowledgment by any Seller that such information is material or that such information includes any act or omission outside the ordinary course of business of such Seller.
5. Nothing herein constitutes an admission of liability or obligation of any Seller or an admission against the interest of such Seller.
6. This Disclosure Schedule is confidential.

Schedule 2.1(a)(i)

Canadian Assets; Fixed Assets

1. See attached.
2. desks
3. cubicles
4. chairs
5. shelves
6. tech benches
7. soldering stations
8. BGA machines
9. rolling carts
10. computers (CPU)
11. monitors
12. laptops
13. scanners
14. barcode printers
15. printers
16. servers
17. IP office phone system
18. switches
19. UPS
20. cameras
21. electrical screwdrivers
22. TVs
23. projectors

24. pumptruck
25. shrinkwrap machine
26. ladders
27. inventory fence
28. inventory shelves
29. refrigerators
30. microwaves
31. tables
32. telephone
33. fans
34. compressor
35. lifting device
36. cabinets
37. lunch chairs
38. sofas
39. lockers
40. oscilloscope
41. multimeter
42. magnification lamps
43. microscope
44. fax

Hartford Computer Group**Schedule 2****PPE Asset Registers****For the year ending Oct 31, 2011**

Asset ID

Asset GL Acct #: 15000-Leasehold

F00638	INSTALLATION OF CABLE FOR LAPTOP REPAIR LINE
F00677	ELECTRICAL INSTALLATION
F00732	ELECTRICAL INSTALLATIONS
F00791	CHAIN LINK FENCING & GATES
F00900	WAREHOUSE CAMERA SYSTEM
F00927	FAN SUPPLY AND INSTALLATION
F00928	REMODEL CANADIAN OFFICE/NADBR PROPERTY
F01000	ELECTRICAL WORK
F01202	BULDING PREP FOR MOVE IN
F01208	INSTALLATION ELECTRICAL
F01267	CABLING FOR NEW BUILDING
F01268	ELECTRICAL INSTALLATION
F01269	ELECTRICAL INSTALLATION
F01270	ELECTRICAL INSTALLATION
F01281	KEYS AND LOCKS
F01282	BUILDING IMPROVEMENTS
F01284	DEMOLITION AND CLEAN UP OF SHIELDS BUILDING
F01285	WAREHOUSE PREP
F01290	SECURITY CAGE WITH INSTALLATION
F01323	SECURITY SYSTEM
F01324	KEYS AND LOCKS NEW BUILDING

F01325	ELECTRICAL MODIFICATIONS
F01326	ELECTRICAL MODIFICATES
F01345	ELECTRICAL WORK ON BUILDING
F01349	ELECTRICAL WORK
F01485	DOCK LEVER REPAIR

Asset GL Acct #: 15100-Test Equipment

F00495	CDN LAPTOP IBM THINK PAD
F00497	CDN LAPTOP IBM
F00498	CDN LAPTOP, SONY VAIO PCG-FX370
F00499	CDN LAPTOP, COMPAQ PRESARIO 2175US
F00500	CDN LAPTOP, COMPAQ PRESARIO 1525CA
F00501	CDN LAPTOP, COMPAQ PRESARIO 725US
F00502	CDN LAPTOP, COMPAQ PRESARIO 2100US
F00503	CDN LAPTOP, COMPAQ PRESARIO 2100US
F00504	CDN LAPTOP, COMPAQ PRESARIO 2100US
F00505	CDN LAPTOP, COMPAQ PRESARIO 715US
F00506	CDN LAPTOP, COMPAQ PRESARIO 1720US
F00507	CDN LAPTOP, HP PAVILION N5470
F00508	CDN LAPTOP, HP PAVILION N5490
F00509	CDN LAPTOP, HP PAVILION ZE5270
F00510	CDN LAPTOP, HP PAVILION N5425
F00511	CDN LAPTOP, SONY PCG-FXA48
F00512	CDN LAPTOP, HP PAVILION N5340
F00513	CDN LAPTOP, TOSHIBA SATELLITE 1400
F00514	CDN LAPTOP, HP PAVILION ZT1135
F00515	CDN LAPTOP, HP PAVILION ZT1135
F00516	CDN LAPTOP, TOSHIBA SATELLITE 1110

F00517	CDN LAPTOP, SONY PCG-NV170 VAIO
F00518	CDN LAPTOP, SONY VAIO PC -R505DL
F00519	CDN LAPTOP, TOSHIBA SATELLIE A10
F00554	CDN PRINTER, HEWLETT PACKARD LASERJET 4100DTN
F00607	REWORK STATION, WELLER 4624
F00608	SOLDER STATION MADELL 8502
F00661	MICROSCOPE, TRI-POWERED
F00662	MICROSCOPE, TRI-POWERED
F00663	MICROSCOPE, TRI-POWERED
F00664	MULTIMETER, FLUKE 73 649092
F00665	MULTIMETER, FLUKE 73 649092
F00666	MULTIMETER, FLUKE 73 649092
F00890	OSCILLOSCOPE
F00894	SYSTEM, REWORK IR
F00926	OVEN 1.6 CU/FT FORCED AIR
F00953	REWORK BGA HAND TOOL
F01095	LAPTOP TOSHIBA SATELLITE A105-S4001
F01291	TESTER, MODEL DRBT-10 TORQUE
F01348	BGA REWORK STATION AND THERMOMETER
F01394	SATELLITE TOSHIBA LAPTOP
F01448	POS, NCR REALPOST 70XRT SYSTEM

Asset GL Acct #: 15500-Furniture & Equipment

F00641	CHAIR, DRAFTING
F00642	CHAIR, DRAFTING
F00643	CHAIR, DRAFTING
F00644	CHAIR, DRAFTING

F00645 CHAIR, DRAFTING

F00646 CHAIR, DRAFTING

F00647 CHAIR, DRAFTING

F00648 CHAIR, DRAFTING

F00649 CHAIR, DRAFTING

F00650 CHAIR, DRAFTING

F00651 CHAIR, DRAFTING

F00652 CHAIR, DRAFTING

F00653 CHAIR, DRAFTING

F00654 CHAIR, DRAFTING

F00655 CHAIR, DRAFTING

F00656 CHAIR, DRAFTING

F00657 CHAIR, DRAFTING

F00658 CHAIR, DRAFTING

F00659 CHAIR, DRAFTING

F00660 CHAIR, DRAFTING

F00678 TIME CLOCK #443313

F00842 CHAIR, DRAFTING

F00843 CHAIR, DRAFTING

F00844 CHAIR, DRAFTING

F00845 CHAIR, DRAFTING

F00846 CHAIR, DRAFTING

F00847 CHAIR, DRAFTING

F00980 FILTER UNIT

F01096 TRANSFORMER & PANEL

F01097 WORKSTATION W/BIN

F01098 WORKSTATION W/BIN

F01205	PHONE INSTALLATION
F01209	TECH BENCHES
F01210	WORK BENCHES
F01261	SHRINK TUNNEL
F01266	BENCHES TECH
F01279	FIXTURES
F01283	TECH BENCHES
F01327	FURNITURE NEW OFFICE
F01351	SCANNER BARCODE SYMBOL WIRELESS
F01352	CAMERA EQUIPMENT SECURITY
F01353	CAMERA EQUIPMENT SECURITY
F01355	PRINTER, ZEBRA BARCODE
F01356	PRINTER, ZEBRA BARCODE
F01357	PRINTER, ZEBRA BARCODE
F01358	PRINTER, ZEBRA BARCODE
F01359	PRINTER, ZEBRA BARCODE
F01360	WEBSMART 24PT
F01361	DLINK ACCESS POINT
F01362	DLINK ACCESS POINT
F01371	WORKSTATIONS GLOBAL
F01372	WORKSTATIONS GLOBAL
F01375	COMPRESSOR AIR
F01443	IMAGING SERVER
F01486	LOCKERS
F01530	IPHONE
F01535	FORKLIFT

Asset GL Acct #: 15600-Computer Hard & Soft

F00745	TOWER, COMPAQ PROLIANT ML350
F00747	MONITOR SONY MULTISCAN 21IN
F00854	LAPTOP SYSTEM, AVERATEC 3150H
F00855	LAPTOP SYSTEM, AVERATEC 3150H
F00907	DESKTOP COMPAQ D53
F00908	DESKTOP COMPAQ D53
F00909	DESKTOP COMPAQ D53
F00910	DESKTOP COMPAQ D53
F00923	DESKTOP COMPAQ D53
F01091	LAPTOP
F01121-F01123	LAPTOPS COMPAQ PRESARIOS
F01124-F01129	HP PAVILIONS ZE2000 & ZV5000
F01130	COMPQ PRESARIO V2000
F01141-F01147	LAPTOPS COMPAQ PRESARIO
F01148-F01154	LAPTOP HP PAVILION
F01155-F01156	LAPTOP COMPAQ PRESARIOS
F01157-F01158	LAPTOPS TOSHIBA
F01159	LAPTOP COMPAQ PRESARIO
F01160	LAPTOP TOSHIBA
F01161-F01165	LAPTOPS COMPAQ PRESARIO
F01166-F01167	LAPTOPS TOSHIBA
F01168	LAPTOP COMPAQ PRESARIO
F01169- F01174	LAPTOPS TOSHIBA
F01175	LAPTOP HP PAVILLION
F01176-F01185	LAPTOP TOSHIBA

F01186	LAPTOP HP PAVILLION
F01187-F01190	LAPTOPS COMPAQ PRESARIO
F01191- F01199	LAPTOPS TOSHIBA
F01265	PROLIANT DUAL CORE
F01286	SWITCHES 48 PORT
F01287	SWITCHES 48 PORT
F01288	SWITCHES 48 PORT
F01289	SWITCH, 3CO03CR17250-9US 3COM 5500G 24PT
F01297	APC SMART - UPS XL 3000VA 120V
F01298	APC SMART - UPS TWR 48V BAT PACK
F01321	APC SMART-UPS XL 300VA 120V
F01322	APC SMART-UPS TWR 48V BAT PACK
F01354	ROUTER,WIRELESS
F01373	PRINTER, ZEBRA 284-20400-0001
F01374	PRINTER, ZEBRA 284-20400-0001
F01523	SERVER, PROLIANT DL380
F01524	SERVER,
F01531	BARCODER READER FOR IPHONE

Schedule 2.1(a)(ii)

US Assets; Fixed Assets

1. See attached.
2. barcode printers
3. BGA machines
4. cabinets
5. cameras
6. cardboard compactor
7. chairs
8. compressor
9. computers (CPU)
10. cubicles
11. desks
12. EEPROM programmer
13. electrical screwdrivers
14. ESD testers
15. fans
16. fax
17. forklift battery charger
18. forklifts
19. generator
20. huntron
21. inventory fence
22. inventory shelves
23. IP office phone system

24. ladders
25. laptops
26. laser printers
27. lifting device
28. lockers
29. lunch chairs
30. magnification lamps
31. microscope
32. microwaves
33. monitors
34. multimeter
35. order pickers
36. oscilloscope
37. ovens
38. pallet jacks
39. projector
40. pumptruck
41. racking
42. refrigerators
43. rolling carts
44. scanners
45. servers
46. shelves
47. shrinkwrap machine
48. sofa

- 49. soldering stations
- 50. switches
- 51. tables
- 52. tech benches
- 53. telephone
- 54. testbeds
- 55. time clocks
- 56. trash compactor
- 57. TV
- 58. universal device programmer
- 59. UPS
- 60. x-ray machine

Hartford Computer Group**Schedule 2****PPE Asset Registers****For the year ending Oct 31, 2011**

Asset ID

Asset GL Acct #: 15000-Leasehold

F00877	LEASE HOLD IMPROVEMENT (NEW TENANT)
F00878	LEASE HOLD IMPROVEMENT (NEW TENANT)
F00879	LEASE HOLD IMPROVEMENT (NEW TENANT)
F00893	BUILDING IMPROVEMENTS
F00976	FLOORING ENTRY WAY
F01138	FIBER CABLE INSTALLATION
F01139	FIBER OPTIC INSTALLTION
F01395	WATER HEATER
F01462	LIGHTING AND INSTALLATION

Asset GL Acct #: 15100-Test Equipment

F00521	DESOLDERING STATION, HAKKO 472D-02
F00522	DESOLDERING STATION, HAKKO 472D-02
F00524	LAPTOP, SONY
F00525	LAPTOP, SONY
F00526	LAPTOP, TOSHIBA
F00527	LAPTOP, TOSHIBA
F00528	LAPTOP, HP
F00529	LAPTOP TOSHIBA
F00530	LAPTOP TOSHIBA
F00531	LAPTOP COMPAC
F00532	LAPTOP, TOSHIBA
F00533	PRINTER, HP

F00555	MICROSCOPE, SCIENCESCOPE FIXED FS-24-500
F00556	MICROSCOPE, FIXED,SCIENCESCOPE FS-24-500
F00559	OSCILLOSCOPE, PROTEK 1000MHZ 6510
F00560	PRINTER, HEWLETT PACKARD LASERJET 4200
F00561	O-SCOPE, TEK 465
F00562	O-SCOPE, TEK 465
F00563	O-SCOPE, TEK 465
F00564	MULTIMETER, FLUKE 73III
F00565	MULTIMETER, FLUKE 73III
F00566	MULTIMETER, FLUKE 73III
F00567	MULTIMETER, FLUKE 73III
F00568	MULTIMETER, FLUKE 73III
F00569	MULTIMETER, FLUKE 73III
F00570	O-SCOPE, TEK 72-6810
F00571	MILLIOHM MODEL 380460
F00572	O-SCOPE, TEK 2235
F00573	MULTIMETER, FLUKE 73III
F00577	OSCILLIOSCOPE TENMA 72-6810
F00578	DESOLDERING GUN, HAKKO
F00579	DESOLDERING GUN, HAKKO
F00602	PRINTER, LEXMARK OPTRA T632
F00603	48 PIN DRIVE PROGRAMMER
F00623	OSCOPE PROTEK 6510
F00624	MICROSCOPE, SZ-PK3-FR
F00625	MULTIMETER, FLUKE 179
F00626	MULTIMETER, FLUKE 179

F00627	MULTIMETER, FLUKE 77 III
F00628	MULTIMETER, FLUKE 77 III
F00629	LAPTOP, COMPAQ PRESARIO X1030US
F00630	OSCOPE, PROTEK 6510
F00631	PRINTER, 0994292-0001 TI 810
F00632	PREHEATER SYSTEM, SY-628
F00636	OSCOPE, PROTEK 6510
F00637	CPU, TOSHIBA P4/CENTRINO 1.4GHZ MPGA
F00667	OSCOPE, PROTEK 6510
F00671	LAPTOP SYSTEM, COMPAC PRESARIO R3202US
F00701	REWORK STATION IX-410Vi
F00704	OSCILLOSCOPE #6510 PROTEK DUAL TRACE
F00705	OSCILLOSCOPE #6510 PROTEK DUAL TRACE
F00706	OSCILLOSCOPE #6510 PROTEK DUAL TRACE
F00717	REWORK STATION MADELL 8502 2 IN 1
F00718	REWORK STATION MADELL 8502 2 IN 1
F00719	REWORK STATION MADELL 8502 2 IN 1
F00720	REWORK STATION MADELL 8502 2 IN 1
F00721	REWORK STATION MADELL 8502 2 IN 1
F00722	REWORK STATION MADELL 8502 2 IN 1
F00723	SYSTEM, EMACHING T2596 DESKTOP
F00724	SYSTEM, EMACHING T2642 DESKTOP
F00725	PROGRAMMER, BP 1400/84 UNIVERSAL ENG
F00726	PROGRAMMER, BP 1400/84 UNIVERSAL ENG
F00731	O-SCOPE, TEKTRONIX 865
F00737	REWORK STATION, MADELL 8502 2-1
F00738	REWORK STATION, MADELL 8502 2-1

F00741	HUNTNRON TRACKER 2700
F00742	MICROSCOPE SZ-PK3-FR
F00743	MICROSCOPE SZ-PK3-FR
F00744	REWORK SYSTEM, IX-410VI
F00748	RAMCHECK INN-8668PLPR-REF
F00749	RAMCHECK 144 SODIMM ADP INN-8668-1
F00750	MICROSCOPE, SZ-PK3-FR
F00754	BGA BOARD HOLDER UPGRADE
F00778	FLUKE 110 MULTIMETER 374TE0110
F00779	FLUKE 110 MULTIMETER 374TE0110
F00780	FLUKE 110 MULTIMETER 374TE0110
F00781	FLUKE 110 MULTIMETER 374TE0110
F00782	FLUKE 110 MULTIMETER 374TE0110
F00783	FLUKE 110 MULTIMETER 374TE0110
F00784	FLUKE 110 MULTIMETER 374TE0110
F00785	FLUKE 110 MULTIMETER 374TE0110
F00786	FLUKE 110 MULTIMETER 374TE0110
F00787	FLUKE 110 MULTIMETER 374TE0110
F00788	FLUKE 110 MULTIMETER 374TE0110
F00789	FLUKE 110 MULTIMETER 374TE0110
F00790	FLUKE 110 MULTIMETER 374TE0110
F00792	MICROSCOPE, SZ-PK3-FR
F00793	FLUKE MULTIMETER, 374TE0110
F00794	FLUKE MULTIMETER, 374TE0110
F00795	FLUKE MULTIMETER, 374TE0110
F00796	FLUKE MULTIMETER, 374TE0110

F00797	FLUKE MULTIMETER, 374TE0110
F00798	FLUKE MULTIMETER, 374TE0110
F00799	FLUKE MULTIMETER, 374TE0110
F00800	SOLDERING STATION, 936-12
F00801	SOLDERING STATION, 936-12
F00802	SOLDERING STATION, 936-12
F00803	SOLDERING STATION, 936-12
F00804	SOLDERING STATION, 936-12
F00805	SOLDERING STATION, 936-12
F00806	SOLDERING STATION, 936-12
F00807	SOLDERING STATION, 936-12
F00808	SCREWDRIVER, CORDLESS 2.4V 271-503
F00809	SCREWDRIVER, CORDLESS 2.4V 271-503
F00810	SCREWDRIVER, CORDLESS 2.4V 271-503
F00811	SCREWDRIVER, CORDLESS 2.4V 271-503
F00812	SCREWDRIVER, CORDLESS 2.4V 271-503
F00813	FLUKE MULTIMETER 374E0110
F00814	FLUKE MULTIMETER 374E0110
F00815	FLUKE MULTIMETER 374E0110
F00816	FLUKE MULTIMETER 374E0110
F00817	FLUKE 110 MULTIMETER 374TE0110
F00818	FLUKE 110 MULTIMETER 374TE0110
F00819	FLUKE 110 MULTIMETER 374TE0110
F00820	FLUKE 110 MULTIMETER 374TE0110
F00821	FLUKE 110 MULTIMETER 374TE0110
F00836	REWORK SYSTEM INFRARED
F00837	REWORK SYSTEM INFRARED

F00849	MICROSCOPE SZ-PK3-FR
F00850	MICROSCOPE SZ-PK3-FR
F00851	MICROSCOPE SZ-PK3-FR
F00882	DESOLDERING TOOL 472D-02
F00883	DESOLDERING TOOL 472D-02
F00884	DESOLDERING TOOL 472D-02
F00885	DESOLDERING TOOL 472D-02
F00886	DESOLDERING TOOL 472D-02
F00895	MICROSCOPE, SZ-PK3-FR
F00901	LCM TESTER
F00925	LAPTOP SYSTEM SONY VAIO VGN FJ170
F00929	LAPTOP SYSTEM SONY VAIO VGN FE660G
F00930	LAPTOP SONY VAIO VGN FS980
F00951	OSCOPE, PROTEK 6510
F00952	OSCOPE, PROTEK 6510
F00981	OSCOPE, PROTEK 6510
F00982	OSCOPE, PROTEK 6510
F00994	OSCOPE, PROTEK 6510
F00995	OSCOPE, PROTEK 6510
F00996	OSCOPE, PROTEK 6510
F00997	OSCOPE, PROTEK 6510
F01011	LAPTOP SYSTEM SONY VAIO
F01012	LAPTOP SYSTEM SONY VAIO
F01064	LAPTOP SONY VAIO VGN FJ250P
F01065	LAPTOP SONY VAIO VGN FE660G
F01066	LAPTOP SONY VAIO VGN SZ3209

F01067	LAPTOP SONY VAIO VGN A690
F01068	LAPTOP SONY FAIO VGN FS630
F01069	LAPTOP SONY VGN SZ220
F01070	LAPTOP SONY VAIO VGN AX5706
F01099	DLP TV 50" SAMSUNG
F01100	DLP TV 50" SAMSUNG
F01132	LAPTOP HP PAVILLION TX1410US
F01133	LAPTOP GATEWAY M-6750
F01134	LAPTOP HP PAVILION DV6458SE
F01135	LAPTOP GATEWAY M-6816
F01136	LAPTOP GATEWAY MX3414
F01137	LAPTOP GATEWAY MX6453
F01203	LAPTOP HP PAVILION DV2550SE
F01272	LAPTOP HP PAVILION TX1320US
F01273	LAPTOP VGN -SZ110/B
F01274	LAPTOP VGN-TXN48P/B
F01276	LAPTOP VGN-TX650P/B
F01277	LAPTOP GATEWAY MX8734
F01292	LAPTOP VGM-AR830E
F01293	LAPTOP VGFZ280E/B
F01294	LAPTOP VGN-SZ650N/C
F01330	LAPTOP SONY VGN-BX561B
F01331	MOTHERBOARD
F01332	LAPTOP VGN-FZ320E/B
F01333	LAPTOP GATEWAY M-6750
F01334	LAPTOP VGN-FZ320E/B
F01335	LAPTOP VGN-AR350E

F01336	LAPTOP VGN-TZ350N
F01337	DESKTOP, HP TOUCHSMART
F01338	LAPTOP PSAE6C-TH70DC
F01339	LAPTOP VGN-TXN25NB
F01340	LAPTOP VGN-BX760
F01341	LAPTOP VGC-LT16E-A
F01342	LAPTOP DELL M1330
F01346	LAPTOP, COMPAQ CQ50-110US
F01350	DESKTOP, HP PAVILLION DV5-1002NR
F01366	TABLET SYSTEM
F01367	SERVER, HP ML330 G3 2.8 GHZ TOWER
F01368	CHASSIS HP ML310 G4 SERVER
F01369	CHASSIS, HP ML310 G5 SERVIER
F01370	TESTBED 500826-001
F01377	TRAVELMATE ACER LAPTOP
F01378	LAPTOP GATEWAY
F01379	MACBOOK
F01380	MACBOOK
F01381	NOTEBOOK GATEWAY
F01382	NOTEBOOK ACER
F01384	LAPTOP, GATEWAY
F01385	HDTV LG
F01386	HDTV LG
F01387	NOTEBOOK HP PAVILLION
F01388	SONY VAIO PC
F01389	VAIO PC/TV

F01390	MACBOOK AIR
F01391	MACBOOK PRO
F01392	TOUCHSMART HP
F01393	MACBOOK MB61LL/A
F01396	MACBOOK APPLE 2.4 GHZ
F01397	MACBOOK APPLE
F01398	L;LAPTOP GATEWAY
F01399	LCD TV 37
F01400	MACBOOK APPLE
F01401	LAPTOP GATEWAY BNIB-P-7811FX
F01402	MACBOOK 15.4
F01403	GATEWAY LAPTOP
F01405	LAPTOP T-6815 GATEWAY
F01406	LAPTOP, GATEWAY M-1412
F01407	LAPTOP, MACBOOK PRO MA897LL/A
F01408	TV 42" SAMSUNG
F01412	LAPTOP SONY VAIO VGC-LT19U
F01413	LAPTOP APPLE
F01414	LAPTOP HP PAVILION DV2990NR
F01415	DESKTOP, GATEWAY GT5628
F01419	LAPTOP APPLE MACBOOK PRO
F01420	LAPTOP HP 6910P CORE DUO
F01435	ALL IN ONE SYSTEM SONY VAIO
F01437	LAPTOP SYSTEM APPLE MACBOOK PRO
F01438	DELL STUDIO 1737
F01439	LAPTOP BATEWAY NV7915U
F01440	MACBOOK, APPLE

F01441	TV SONY BRAVIA
F01442	TV, VISIO 37"
F01444	LAPTOP GATEWAY NV7915U
F01446	MACBOOK, APPLE MC207LL/A
F01447	LAPTOP, PAVILION DV4
F01449	LAPTOP PAVILION DV4
F01451	LAPTOP, CPQ PRESARIO
F01452	LAPTOP GATEWAY
F01453	LAPTOP, PAVILION
F01456	MACBOOK 13.3
F01457	DESKTOP, HP TOUCHSMART
F01459	ADAPTER INN-8668-16 240 PINN
F01467	MEMORY TESTER
F01468	LAPTOP MACBOOK
F01469	LAPTOP BATTERY TESTER
F01470	LAPTOP, HP PAVI
F01471	MACBOOK, APPLE
F01473	DESKTOP SYSTEM
F01474	POWER BUTTON BOARD, SONY
F01475	LOGIC BOARD APPLE
F01476	LAPTOP, MF470LL/Z
F01477	MACBOOK PRO APPLE
F01478	LAPTOP HP HDX X16
F01483	LAPTOP, AUSU G72GX-RBBX05 17.3"
F01484	LAPTOP, APPLE MACBOOK PRO
F01489	NOTEBOOK, HPHDX-X16-1375

F01490	NOTEBOOK, HPHDX-X16-1375
F01526	LAPTOP, HP TOUCHSMART
F01527	LAPTOP, HP ELITEBOOK
F01528	LAPTOP, APPLE
F01532	LOGICBOARD, APPLE MB PRO
F01533	DESKTOP, HP IQ524
F01534	LAPTOP, SONY VAIO VPC-F115FM/B
F01541	DESK TOP ALL IN ONE VAIO
F01542	DESKTOP SONY VAIO L SERIES
F01543	LAPTOP REFURBISHED AUSU INTEL CORE
F01544	SO DIMM CONVERTER

Asset GL Acct #: 15300-AUTO

F01140	BMW AUTO
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Asset GL Acct #: 15500-Furniture & Equipment

F00574	DESKTOP, HP PAVILION 864N
F00596	CHAIR, MULTI TASK, GREY
F00597	CHAIR, MULTI TASK, GREY
F00598	CHAIR, MULTI TASK, GREY
F00599	CHAIR, MULTI TASK, GREY
F00600	CHAIR, MULTI TASK, GREY
F00611	CHAIR, MULTI TASK, GREY
F00612	CHAIR, MULTI TASK, GREY
F00613	CHAIR, MULTI TASK, GREY
F00614	CHAIR, MULTI TASK, GREY
F00615	CHAIR, MULTI TASK, GREY
F00616	CHAIR, MULTI TASK, GREY

F00617	CHAIR, MULTI TASK, GREY
F00618	CHAIR, MULTI TASK, GREY
F00619	CHAIR, MULTI TASK, GREY
F00620	CHAIR, MULTI TASK, GREY
F00621	DIGITAL CAMERA, OLYMPUS D-575
F00639	STOOL, GRAY MULTI TASK LLR80009
F00640	STOOL, GRAY MULTI TASK LLR80009
F00668	STOOL, GRAY MULTI TASK LLR80009
F00669	STOOL, GRAY MULTI TASK LLR80009
F00670	STOOL, GRAY MULTI TASK LLR80009
F00751	POLOR COOLER AND TANK
F00822	COOLER AND TANK PC36
F00823	COOLER AND TANK PC36
F00824	COOLER AND TANK PC36
F00825	SERVICE PHONE SYSTEM
F00829	SIGNAGE FOR WAREHOUSE
F00840	RAPISCAN METOR 200hs
F00841	ROLLERS CONVEYORS
F00848	LOGO DESIGN FOR RIPTIDE TECHNOLOGY
F00979	PROJECTOR TOSHIBA
F01201	POLOR COOLER
F01254	LAPTOP IBM THINKPAD
F01280	FORKLIFT
F01363	HP PROLIAND DL580 & ACCESS
F01376	BARCODE SCANNER
F01426	LAPTOP IBM THINKPAD
F01427	LAPTOP IBM THINKPAD

F01450	RACKING WAREHOUSE
F01458	SCANNER BARCODE
F01472	AVAYA TELEPHONE SYSTEM (GREAT AMERICA LEAS
F01479	FLOOR CLEANER
F01480	TABLE MATS FOR PRODUCTION
F01481	FURNITURE, USED
F01487	WAREHOUSE RACKING
F01498	BARCODEJET LEVEL IV

Asset GL Acct #: 15600-Computer Hard & Soft

F00496	MONITOR VIEWSONIC 19 in
F00523	COMPAC STORAGE ENCLOSURE
F00534	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00536	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00537	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00538	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00539	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00540	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00541	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00542	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00543	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00544	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00546	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00548	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00549	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00550	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00551	SYSTEM, COMPAQ DESKTOP D220 TOWER

F00552	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00553	SYSTEM, COMPAQ DESKTOP D220 TOWER
F00557	LAPTOP, HP PAVILLION ZE5600
F00558	LAPTOP, COMPAQ PRESARIO 915CA
F00575	TAPE DRIVE, COMPAQ 100/200 GB
F00576	LAPTOP, HP PAVILION ZE45465R
F00581	SYSTEM, COMPAC DX2000 MICROTOWER
F00582	SYSTEM, COMPAC DX2000 MICROTOWER
F00583	SYSTEM, COMPAC DX2000 MICROTOWER
F00584	SYSTEM, COMPAC DX2000 MICROTOWER
F00585	SYSTEM, COMPAC DX2000 MICROTOWER
F00586	SYSTEM, COMPAC DX2000 MICROTOWER
F00587	SYSTEM, COMPAC DX2000 MICROTOWER
F00588	SYSTEM, COMPAC DX2000 MICROTOWER
F00589	SYSTEM, COMPAC DX2000 MICROTOWER
F00590	SYSTEM, COMPAC DX2000 MICROTOWER
F00592	SYSTEM, COMPAC DX2000 MICROTOWER
F00595	SYSTEM, COMPAC DX2000 MICROTOWER
F00604	MONITOR, HP PAVILION F1703 17IN
F00605	MONITOR, HP PAVILION F1703 17IN
F00609	MONITOR, VIEWSONIC FLAT SCREEN
F00610	MONITOR, VIEWSONIC 19IN
F00633	COMPAQ PROLIANT DL580 G2 XEON 2.2GHZ SYS
F00634	COMPAQ INTEL XEON MP 2.2GHZ 2MB CPU
F00635	COMPAQ 8GB 4X2GB) PC1600 DDR ECC MEMORY
f00672	DESKTOP SYSTEM, HP PAVILION A446X

F00673	DESKTOP SYSTEM, HP PAVILION A446X
F00674	DESKTOP SYSTEM, HP PAVILION A446X
F00675	DESKTOP SYSTEM, HP PAVILION A446X
F00676	DESKTOP SYSTEM, HP PAVILION A446X
F00679	OPENRO ERP SERVICES A
F00680	MONITOR, NEC P12540+ 21IN SVGA
F00681	SYSTEM, IBM NETVISTA A30 CELERON
F00682	SYSTEM, IBM NETVISTA A30 CELERON
F00683	SYSTEM, IBM NETVISTA A30 CELERON
F00684	SYSTEM, IBM NETVISTA A30 CELERON
F00685	SYSTEM, IBM NETVISTA A30 CELERON
F00686	SYSTEM, IBM NETVISTA A30 CELERON
F00687	SYSTEM, IBM NETVISTA A30 CELERON
F00688	SYSTEM, IBM NETVISTA A30 CELERON
F00689	SYSTEM, IBM NETVISTA A30 CELERON
F00690	SYSTEM, IBM NETVISTA A30 CELERON
F00691	SYSTEM, IBM NETVISTA A30 CELERON
F00692	SYSTEM, IBM NETVISTA A30 CELERON
F00693	SYSTEM, IBM NETVISTA A30 CELERON
F00694	SYSTEM, IBM NETVISTA A30 CELERON
F00695	SYSTEM, IBM NETVISTA A30 CELERON
F00697	SYSTEM, IBM NETVISTA A30 CELERON
F00698	SYSTEM, IBM NETVISTA A30 CELERON
F00699	SYSTEM, IBM NETVISTA A30 CELERON
F00700	SYSTEM, IBM NETVISTA A30 CELERON
F00702	LAPTOP, COMPAQ PRESARIO R3430
F00707	LAPTOP SONY VAIO

F00708	PRINTER ZEBRA #284Z-10300-0001
F00710	LAPTOP LENOVA/IBM Z61M
F00711	PRINTER, BARCODE ZEBRA 2842-10300-001
F00712	PRINTER, BARCODE ZEBRA 2842-10300-001
F00713	PRINTER, BARCODE ZEBRA 2842-10300-001
F00715	PRINTER, BARCODE ZEBRA 2842-10300-001
F00716	PRINTER, BARCODE ZEBRA 2842-10300-001
F00727	LAPTOP, HP PAVILION ZV5476CL
F00728	LAPTOP, TOSHIBA SATELLIE M45X-S331
F00729	SERVER, 372708-001 HP PROLIAN DL320 RACK
F00733	PRINTER BARCODE ZEBRA 284Z-10300-001
F00734	PRINTER BARCODE ZEBRA 284Z-10300-001
F00735	LASER PRINTER, LEXMARK OPTRA W810
F00736	LAPTOP SYSTEM, TOSHIBA SATELLINT M45X-S331
F00739	LAPTOP, HP PAVILION ZE5360US
F00740	WINDOWS ACTIVE DIRECTORY A
F00746	WINDOWS ACTIVE DIRECTORY B
F00752	LAPTOP IBM THINK PAD
F00753	LAPTOP IBM THINK PAD
F00755	LAPTOP SYSTEM TOSHIBA SATELLITE M45X-S331
F00756	LAPTOP SYSTEM TOSHIBA SATELLITE M45X-S331
F00757	LAPTOP SYSTEM TOSHIBA SATELLITE M45X-S331
F00758	DESKTOP SYSTEM EVO D51S SFF
F00759	DESKTOP SYSTEM EVO D51S SFF
F00760	DESKTOP SYSTEM EVO D51S SFF
F00761	DESKTOP SYSTEM EVO D51S SFF

F00762	DESKTOP SYSTEM EVO D51S SFF
F00763	DESKTOP SYSTEM EVO D51S SFF
F00765	DESKTOP SYSTEM EVO D51S SFF
F00766	DESKTOP SYSTEM EVO D51S SFF
F00767	DESKTOP SYSTEM EVO D51S SFF
F00768	DESKTOP SYSTEM EVO D51S SFF
F00769	DESKTOP SYSTEM EVO D51S SFF
F00770	DESKTOP SYSTEM EVO D51S SFF
F00771	DESKTOP SYSTEM EVO D51S SFF
F00772	DESKTOP SYSTEM EVO D51S SFF
F00773	DESKTOP SYSTEM EVO D51S SFF
F00774	DESKTOP SYSTEM EVO D51S SFF
F00775	DESKTOP SYSTEM EVO D51S SFF
F00776	DESKTOP SYSTEM EVO D51S SFF
F00777	DESKTOP SYSTEM EVO D51S SFF
F00826	SYSTEM. EMACHINE NEXGEN T1840
F00827	SYSTEM. EMACHINE NEXGEN T882
F00828	SYSTEM. EMACHINE NEXGEN T2542
F00838	SYMANTEC ANTIVIRUS 1 YR
F00839	OPENPRO SOFTWARE
F00852	LAPTOP SYSTEM, HP 1.0 GHZ
F00853	LAPTOP SYSTEM, HP 1.0 GHZ
F00856	HP PROLIANT DL380 G4
F00857	HP PROLIANT DL380 G4
F00858	300GB U320
F00859	300GB U320
F00860	300GB U320

F00861	300GB U320
F00862	300GB U320
F00863	300GB U320
F00864	300GB U320
F00865	300GB U320
F00866	300GB U320
F00867	300GB U320
F00868	300GB U320
F00869	300GB U320
F00870	300GB U320
F00871	300GB U320
F00872	PC2-3200 4GB
F00873	BATTERY, APC RACK MOUNT UPS
F00874	BATTERY, APC RACK MOUNT UPS
F00875	2 RANK PC3200 4GB
F00876	2 RANK PC3200 4GB
F00880	WIN SVR 2003 MR2 OPN LIC
F00881	WIN SVR 2003 MR2 OPN LIC
F00888	SOFTWARE, BNA
F00889	IBM INF DYD SERVER ENT
F00891	LAPTOP DELL INSPIRON 1300
F00892	OPEN PRO
F00896	CONTROLLER, SMART ARRAY
F00903	DESKTOP COMPAQ D53
F00904	DESKTOP COMPAQ D53
F00905	DESKTOP COMPAQ D53

F00906	DESKTOP COMPAQ D53
F00911	THINKPAD, IBM
F00924	LAPTOP, SONY VAIO VGN-S560P/B LY
F00960	THINKPAD, IBM
F00961	SERVER, HP PROLIANT DL320S
F00962	SERVER, PROLIANT DL380 G5
F00963	SOFTWARE PC CHECK 25 SEATS
F00964	SOFTWARE SPINRITE 6.0
F00965	SOFTWARE BURN IN TEST 5.3
F00966	SCANNER KIT 3800G14-USBKIT
F00967	SCANNER KIT 3800G14-USBKIT
F00968	SCANNER KIT 3800G14-USBKIT
F00969	SCANNER KIT 3800G14-USBKIT
F00970	SCANNER KIT 3800G14-USBKIT
F00971	SCANNER KIT 3800G14-USBKIT
F00972	SCANNER KIT 3800G14-USBKIT
F00973	SCANNER KIT 3800G14-USBKIT
F00974	SCANNER KIT 3800G14-USBKIT
F00975	SCANNER KIT 3800G14-USBKIT
F00978	OPENPRO SOFTWARE
F00983	HP STORAGEWORKS MSA30 302969-B21
F00984	HP CARE PACK 3 YR 4HR 24X7 U4545E
F00985	HP 7506B 7200RPN SATA HT PG
F00986	HP 7506B 7200RPN SATA HT PG
F00987	LAPTOP THINKPAD T60 1952-A86
F00990	LAPTOP IBM THINKPAD T42 W/XP PRO
F00991	LAPTOP IBM THINKPAD T42 W/XP PRO

F00992	LAPTOP IBM THINKPAD T42 W/XP PRO
F00993	FIREWALL, SPAM BARRACUDA BSF300A
F00998	CAMERA DIGITAL CANON SD1000
F00999	CAMERA DIGITAL CANON SD1000
F01001	LAPTOP IBM THINKPAD
F01004	MONITOR, ACER
F01005	LAPTOP IBM THINKPAD 2373-C88
F01007	LAPTOP IBM THINKPAD 2373-C88
F01008	LAPTOP IBM THINKPAD 2373-C88
F01009	LAPTOP IBM THINKPAD 2373-C88
F01010	LAPTOP IBM THINKPAD 2373-C88
F01013	PRINTER, ZEBRA TLP2844-Z
F01014	LAPTOP IBM THINKPAD 2373-C88
F01015	LAPTOP IBM THINKPAD 2373-C88
F01016	COMPUTER EVO 239160-997
F01028	DESKTOP EVO D530
F01029	DESKTOP EVO D530
F01030	DESKTOP EVO D530
F01031	DESKTOP EVO D530
F01032	DESKTOP EVO D530
F01033	DESKTOP EVO D530
F01034	DESKTOP EVO D530
F01035	DESKTOP EVO D530
F01036	DESKTOP EVO D530
F01037	DESKTOP EVO D530
F01039	MONITOR ACER AL1716F

F01040	MONITOR ACER AL1716F
F01042-F01049	DESKTOP EVO D510
F01050	PRINTER, ZEBRA 284Z
F01051	MONITOR, HP
F01052	PRINTER, ZEBRA 284Z
F01053	TOWER, HEWLETT PACKARD D530
F01054	MONITOR LENOVO L171
F01055	MONITOR LENOVO L171
F01056	MONITOR LENOVO L171
F01057	MONITOR LENOVO L171
F01060	PRINTER TLP-2844Z ZEBRA
F01071	TOWER HEWLETT PACKARD EVO D51S
F01072	TOWER, HEWLETT PACKARD EVO D510
F01073	LAPTOP THINKPAD J156-4619
F01074	LAPTOP THINKPAD J156-4619
F01078	MONITOR, ACER AL1716F
F01080	MONITOR ACER AL1716F
F01081	MONITOR VIEWSONIC
F01084	MONITOR ACER AL1716F
F01085	MONITOR VIEWSONIC
F01088	LAPTOP THINKPAD 2007-68U
F01089	LAPTOP IBM T43
F01092	SERVER SOFTWARE AND PART
F01093	LAPTOP IBM THINKPAD
F01094	LAPTOP IBM THINKPAD
F01204	RIPTIDE WEBSITE DESIGN
F01206	SOFTWARE WIN SERVER 2008 EDITION

F01207	LAPTOP HP 6820
F01257	LAPTOP, LENOVO T520
F01262	SOFTWARE ZEBRA
F01263	SOFTWARE MICROSOFT WIN XP
F01264	SOFTWARE MICROSOFT WIN XP
F01271	LICENSE, BATCHSYSNC
F01275	LAPTOP SONY VAIO VGN - SZ645P
F01295	LAPTOP VGC-LS30E
F01296	LAPTOP LENOVO 3000
F01299	LAPTOP IMB THINKPAD 1875-M1U
F01300	LAPTOP IMB THINKPAD 1875-M1U
F01302	LAPTOP, DELL LATITUDE
F01303	LAPTOP, DELL LATITUDE
F01304	LAPTOP DELL LATITUDE
F01307	PRINTER ZEBRA TLP 2844-Z
F01309	PRINTER ZEBRA TLP 2844-Z
F01311	LAPTOP, LENOVO 3000
F01312	LAPTOP THINKPAD T60
F01313	LAPTOP IBM THINKPAD
F01314	LAPTOP LENOVOA 300
F01315	TOWER, APC SMARTUPS 1500
F01316	LAPTOP, LENOVO 3000
F01318	LAPTOP TOSHIBA SATELLITE L505-S5969
F01319	LAPTOP, LENOVO 3000
F01320	LAPTOP SONY VAIO VGN TZ191N/X
F01328	SERVIER, IMAGE

F01329	SERVER EMAIL
F01343	DESKTOP SONY VAIO VGC
F01365	HP PAVILION
F01383	RACK MOUNTABLE SECURITY
F01404	SOFTWARE, DEEPSPAR ACE DATA RECOVERY ENG
F01421	IBM LENOVO
F01422	IBM LENOVO
F01423	IBM LENOVO
F01424	LAPTOP, IBM THINKPAD
F01425	LAPTOP, IBM THINKPAD
F01428	LAPTOP, IBM THINKPAD
F01429	LAPTOP IBM
F01430	LAPTOP, DELL LATITUDE
F01431	SCANNER BARCODE
F01432	SCANNER BARCODE
F01433	PRINTER LEXMARK OPTRA
F01434	PRINTER LEXMARK OPTRA
F01463	CX4 SERVER
F01464	SERVER HP
F01465	SOFTWARE VMM VS4
F01466	SOFTWARE VMM VS4
F01482	MEMORY, CT916709 16GB KIT
F01501	PRINTER ZEBRA TLP 2844-Z
F01502	PRINTER ZEBRA TLP 2844-Z
F01503	PRINTER ZEBRA TLP 2844-Z
F01511	PRINTER ZEBRA TLP 2844-Z

F01512	PRINTER ZEBRA TLP 2844-Z
F01513	PRINTER ZEBRA TLP 2844-Z
F01514	PRINTER ZEBRA TLP 2844-Z
F01515	PRINTER ZEBRA TLP 2844-Z
F01516	PRINTER ZEBRA TLP 2844-Z
F01517	PRINTER ZEBRA TLP 2844-Z
F01518	PRINTER ZEBRA TLP 2844-Z
F01519	PRINTER ZEBRA TLP 2844-Z
F01520	PRINTER, DATAMAX I-4212
F01521	PRINTER, DATAMAX I-4212
F01525	PRINTER ZEBRA TLP 2844-Z

Hartford Computer Group

Schedule 2

PPE Asset Registers

For the year ending Oct 31, 2011

Asset ID

Asset GL Acct #: 15000-Leasehold

Location: CHICAGO

F01522

PHONE SYSTEM RELOCATION

Asset GL Acct #: 15500-Furniture & Equipment

Location: CHICAGO

F01460

LASERJET PRINTER

F01529

INSTALLATION OF RACKING

HCG00010-00050

CHICAGO FURNITUR

Asset GL Acct #: 15600-Computer Hard & Soft

F01059

TOWER HP COMPAC EVO D510

Schedule 2.1(c)(i)

Canadian Assets; Transferred Intellectual Property

1. EDI links for the following customers/vendors:
 - a. FutureShop
 - b. Best Buy/UPS
 - c. Assurant
 - d. BestBuy – PartSearch
 - e. Unisys
 - f. Quanta (Depot)
 - g. Quanta (Parts)
2. The following domain names:
 - a. www.nexicore.com/staplescaparts
 - b. consignment.nexicore.com
 - c. geeksquad.nexicore.com
 - d. bestbuy.nexicore.com

Schedule 2.1(c)(ii)

US Assets; Transferred Intellectual Property

1. The following domain names:
 - a. www.nexicore.com
 - b. www.nexicore.com/bid
 - c. www.nexicore.com/gaming
 - d. www.nexicore.com/xbox
 - e. www.nexicore.com/onsite
 - f. www.nexicore.com/depot
 - g. www.nexicore.com/tdparts
 - h. b2b.nexicore.com
 - i. tech.nexicore.com
 - j. training.nexicore.com
 - k. toshiba.nexicore.com
 - l. partsearch.nexicore.com
 - m. ihg.depotexpress.com
 - n. staples.nexicore.com
 - o. wcc.nexicore.com
 - p. waca.nexicore.com
 - q. newcorp.nexicore.com
 - r. sony.nexicore.com
 - s. servicenet.nexicore.com
 - t. www.sonyrepairservices.com
 - u. www.toshibarepairservices.com
 - v. www.nexicore.net

- w. sp.nexicore.com
- 2. EDI links for the following customers:
 - a. Staples
 - b. Sony SIS
 - c. Assurant
 - d. National Parts (Parts)
 - e. National Parts (Gaming)
 - f. Sony
 - g. Sony Backstage
 - h. Assurant
 - i. Assurant – OneCall
 - j. Bestbuy – PartSearch
 - k. WACA (FTP transfer method)
 - l. WACA (web service transfer method)
 - m. ServiceNet (Depot)
 - n. ServiceNet (Onsite)
 - o. SupportSoft (Depot)
 - p. SupportSoft (Onsite)
 - q. PayPal
 - r. Best Buy
 - s. Unisys
 - t. Sony OOW
 - u. Toshiba OOW
 - v. Sears
 - w. IngramMicro

- x. TechData
- y. Office Depot (Onsite – EDI VAN transfer method)
- z. ServiceBench
- aa. Toshiba
- bb. HiSense
- cc. Office Depot (Onsite - webservice)
- dd. Office Depot (Depot - webservice)

Schedule 2.1(d)(i)

Canadian Assets; Assumed Contracts

1. Master Professional Services Agreement, executed January 11, 2011, by and between Nexicore Services and CDW Canada, Inc.
2. Authorized Service Centre Agreement, effective September 2, 2010, by and between LG Electronics Canada, Inc. and Nexicore Services
3. Service Agreement, dated May 1, 2009, by and between N.E.W. Customer Service Companies of Canada, Corp. and Nexicore
4. Letter of Intent to Outline Business Terms During the Initial/Transitional Phase, dated February 24, 2009, by and between Quanta Nashville and Nexicore
5. Apple Authorized Service Provider Agreement, effective April 20, 2011, by and between Apple Canada Inc. and Nexicore Services Inc.
6. Lease Contract, dated April 23, 2007, Nexicore Services, a division of Hartford Computer Group, Inc., Canon Canada Inc. and CBSC Capital Inc.
7. Purolator Courier Services Pricing Agreement, effective as of May 12, 2009, by and between Purolator Courier Ltd. and Nexicore Services
8. Confidentiality Agreement, dated April 9, 2009, by and between Best Buy Canada Ltd. and Nexicore
9. Confidentiality Agreement, dated March 29, 2011, by and between Synnex Canada Limited and Nexicore Services
10. Quanta Computer Inc. Non-Disclosure Agreement, dated June 19, 2008, by and between Quanta Computer Inc. and Nexicore
11. Procurement Agreement for the Exchange of Confidential Information, effective as of November 2011, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and IBM Canada Limited
12. Non Development Solutions Engagement Agreement, effective as of November 2011, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and IBM Canada Limited
13. Jigsaw Enhanced Model (Project JEM) Master Statement of Work, effective November 2011, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and IBM Canada Limited
14. Web Order Invoice Agreement, effective November 2011, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and IBM Canada Limited

15. Services Agreement, dated February 1, 2010, by and between Nexicore Services, Inc. and Best Buy Canada Ltd.
16. Lease Contract, dated December 15, 2008, by and between Hartford Computer Group, Inc. o/a Nexicore Services and Easy Lease
17. Master Service Agreement, dated November 16, 2011, by and between TeraGo Networks, Inc. and Nexicore Canada
18. Statement of Work for IP-PRI and SIP Access Installation, dated November 17, 2011, by and between TeraGo Networks, Inc. and Nexicore Canada
19. Service Agreement, executed November 23, 2011, by and between Bell Canada and Hartford Computer Group

Schedule 2.1(d)(ii)

US Assets; Assumed Contracts

1. EasyTech Services Agreement, dated October 7, 2009, by and between Hartford Computer Group, Inc. and Federal Warranty Service Corporation
2. Supplier's Undertakings, undated, by and between Foxconn and Hartford Computer Group, Inc.
3. Authorized Service Provider Agreement, dated June 18, 2010, by and between Fujitsu America, Inc. and Nexicore Services Corporation
4. Hewlett-Packard Parts Purchase Agreement, effective February 1, 2009, by and between Hewlett-Packard Company and Nexicore Services
5. Hewlett-Packard Parts Purchase Agreement, effective February 1, 2010, by and between Hewlett-Packard Company and Nexicore Services, as amended by that certain Amendment to Parts Purchase Agreement dated February 1, 2010
6. Hewlett-Packard Americas Replacement Parts Partner Agreement, dated November 1, 2010, by and between Hewlett-Packard Company and Nexicore Services
7. Program Agreement, executed August 9, 2010, by and between Ingram Micro Inc. and Nexicore Services
8. Printer Authorized Parts Distributor Agreement – 2009, executed December 23, 2009, by and between Lexmark International, Inc. and Nexicore Services
9. Pro:Idiom “Have Made” Agreement, dated January 11, 2011, by and between LG Electronics and Nexicore Services
10. Service Center Agreement, executed March 23, 2011, by and between LG Electronics Alabama, Inc. and Hartford Computer Group, Inc. d/b/a Nexicore Services
11. Master Services agreement, undated, by and between Logical Maintenance Solutions, Inc. and Hartford Computer Group, Inc. through its Nexicore Services business group
12. Statement of Work Addendum, dated February 1, 2009, by and between Micro Center Inc. and Nexicore Inc.
13. Nexicore Agreement, dated October 20, 2006, by and between National Electronics Warranty Corporation and Nexicore Services, LLC
14. Service Agreement, dated March 16, 2009, by and between National Electronics Warranty, LLC and Nexicore

15. Master Services Agreement, effective April 1, 2008, by and between Office Depot, Inc. and Hartford Computer Group, Incorporated through its Nexicore Services business group
16. National Installation Partner Agreement, effective September 1, 2010, by and between Promethean Inc. and Nexicore Services
17. Preferred Parts Vendor Agreement, effective January 18, 2008, by and between RadioShack Services, a division of RadioShack Corporation, and Nexicore Services
18. Sales Agreement for Resellers, dated June 25, 2009, by and between Hartford Computer Group, Inc. and Cambridge Computer Services Inc
19. Service Agreement, effective June 28, 2010, by and between Hannspree North America, Inc. and Nexicore Services, LLC
20. Servicer Agreement, effective July 30, 2009, by and between Hisense USA Corporation and Nexicore Services, LLC
21. Statement of Work – Parts Inventory Management, effective November 15, 2009, by and between Nexicore Services, LLC and Hisense USA Corporation
22. First Amendment to Master Service Agreement, effective July 5, 2009, by and between Hartford Computer Group, Incorporated (through Nexicore Services) and Office Depot, Inc.
23. Statement of Work #3 to Master Service Agreement, effective January 31, 2010, by and between Office Depot, Inc. and Hartford Computer Group, Incorporated d/b/a Nexicore Services
24. Statement of Work #4 to Master Service Agreement, effective January 31, 2010, by and between Office Depot, Inc. and Hartford Computer Group, Incorporated d/b/a Nexicore Services
25. Statement of Work #2 to Master Service Agreement, effective July 5, 2009, by and between Office Depot, Inc. and Hartford Computer Group, Incorporated d/b/a Nexicore Services
26. Siemens IT Solutions and Services, Inc. Purchase Order Terms and Agreement (October 2008), executed August 20, 2009, by and between Siemens IT Solutions and Hartford Computer Group, Inc.
27. Siemens IT Solutions and Services, Inc. Purchase Order Terms and Agreement (January 2010), executed December 30, 2009, by and between Siemens IT Solutions and Nexicore Services

28. Nexicore Agreement, effective December 11, 2006, by and between Square Trade, Inc. and Nexicore Services as amended by that certain Addendum #1 dated September 1, 2011
29. Master Services Agreement, executed January 10, 2008, by and between SupportSoft, Inc. and Hartford Computer Group, Inc. (through Nexicore Services)
30. Master Services Agreement, effective October 20, 2009, by and between Nexicore Services and Synnex Corporation
31. Nexicore Agreement, effective August 17, 2007, by and between Tek Serv, Inc. and Nexicore Services
32. Amendment Number One to Florida Roll-Out Statement of Work, effective August 7, 2009, by and between Support.com, Inc. and Nexicore Services
33. Statement of Work Number Three Sony Depot Services, effective April 19, 2010, by and between Support.com, Inc. and Nexicore Services
34. Statement of Work OD Breakfix Support, executed February 16, 2010, by and between Support.com, Inc. and Nexicore Services
35. Statement of Work Number Four, effective August 24, 2010, by and between Support.com, Inc. and Nexicore Services
36. Apple Authorized Service Provider Agreement, dated April 7, 2010, by and between Hartford Computer Group, Inc. o/a Nexicore Services and Apple Inc.
37. Amendment and Attachment 3, effective March 14, 2008, by and between National Electronics Warranty Corporate and Nexicore Services LLC
38. Master Products and Services Agreement, effective February 1, 2005, by and between Hartford Computer Group, Inc. and Sears, Roebuck and Co. as amended by that certain Amendment to the Master Products & Services Agreement, effective March 15, 2010, by and between Hartford Computer Group, Inc. and Sears Holdings Management Corporation
39. Sears, Roebuck and Co. Purchase Agreement, dated August 16, 2004, by and between Sears, Roebuck and Co. and Hartford Computer Group, Inc.
40. Parts Procurement Master Agreement, effective March 1, 2009, by and between Nexicore and Best Buy Purchasing LLC, as amended by (a) that certain First Amendment to Parts Procurement Master Agreement, dated March 1, 2010, by and between Nexicore Services, LLC and Best Buyer Purchasing LLC and (b) Second Amendment to Parts Procurement Master Agreement, dated October 18, 2010, by and between Nexicore Services, LLC and Best Buyer Purchasing LLC

41. Advance Exchange Supplier and Procurement Agreement, dated November 1, 2009, by and between Nexicore Services, LLC and Best Buy Purchasing LLC
42. Master Services Agreement, dated November 28, 2010, by and between Best Buy Purchasing LLC and Nexicore Services LLC
43. Master Professional Service Agreement, dated May 24, 2010, by and between CDW Logistics, Inc. and Nexicore Services
44. Letter of Intent, dated August 6, 2010, by and between LG Electronics Alabama, Inc. and Nexicore
45. Statement of Work – Onsite Desktop Repair Services, executed October 17, 2008, by and between Nexicore Services and Toshiba America Information Systems, Inc.
46. Toshiba VIP Depot Repair Services (Letter of Intent), dated April 27, 2009, by and between Nexicore Services and Toshiba
47. Toshiba Canada Services Letter of Intent, dated June 5, 2009, by and between Nexicore Services and Toshiba
48. WSCA/NASPO – Master Price Agreement Letter, executed on January 15, 2010, by and between Toshiba America Information Systems, Inc. and Nexicore Services
49. Authorized Service Provider Agreement, dated February 22, 2010, by and between Nexicore Services and Toshiba America Information Systems, Inc.
50. Statement of Assurance, executed October 4, 2010, by Nexicore Services to Toshiba America Information Systems, Inc.
51. Toshiba & Nexicore Services Letter of Intent, dated April 15, 2011, by and between Toshiba America Information Systems, Inc. and Nexicore Services
52. Nexicore Services Service Agreement Laptop Repair Service, dated March 17, 2008, by and between Nexicore Services and Warrantech Consumer Product Services, Inc.
53. Samsung Service Center Agreement, dated March 16, 2008, by and between Service Division of Samsung Electronics America, Inc. and Hartford Computer Group, Inc. d/b/a Nexicore
54. Cross Dock Agreement, dated January 20, 2010, by and between ESL Technologies, Inc. d/b/a Teleplan International and Nexicore, Inc.
55. Authorized Value Added Reseller Agreement for Computer Products, dated February 17, 1997, by and between Hartford Computer Group, Inc. and Unisys Corporation, Channel Marketing Organization, as amended by that certain Rider, dated February 17, 1997

56. Authorized Partner Agreement, undated, by and between Hartford Computer Group, Inc. and Unisys Corporation, through its Federal Systems Division
57. Addendum to Master Agreement #20510, dated December 30, 2005, by and between Unisys Corporation and Nexicore Services
58. Service Agreement, dated December 6, 2007, by and between Hartford Computer Group, Inc. d/b/a Hartford Computer Group and Sony Service Company of Sony Electronics, Inc.
59. Amendment to 2007 Reseller Agreement, dated April 1, 2008, by and between Sony Electronics, Inc and Hartford Computer Group, Inc. and its division Nexicore Services
60. Service Agreement, dated February 22, 2010, by and between Sony Service Company or Sony Electronics, Inc. and Hartford Computer Group, Inc. – ON/IW d/b/a Nexicore
61. Servicer Agreement, undated, by and between Sony Service Company of Sony Electronics, Inc. and Hartford Computer Group, Inc. by its Nexicore Services
62. Master Depot Service Agreement Sony VAIO, dated June 1, 2007, by and between Nexicore Services and Service Net Solutions, LLC, as amended by that certain (a) Modification dated May 31, 2007, (b) First Modification dated June 1, 2007, (c) Modification Number Two (2) – Confidentiality Agreement Regarding the Receipt of Personal Information effective May 19, 2008, (d) Third (3) Modification executed June 9, 2008, (e) Fourth (4) Modification dated December 31, 2008, and (f) Fifth (5) Modification dated July 31, 2009
63. Hardware Service Provider Agreement, dated July 20, 2011, by and between Nexicore Services and Promethean Inc.
64. Parts Procurement Network Vendor Statement of Work, dated July 27, 2009, by and between Nexicore and Best Buy Purchasing LLC
65. Statement of Work, dated March 21, 2011, by and between Nexicore Services and CDW Logistics LLC
66. Letter of Intent, dated July 18, 2011, by and between Toshiba American Information Systems, Inc. and Nexicore Services
67. Statement of Work, dated August 8, 2011, by and between Nexicore Services and CDW Logistics LLC
68. Six Continents Hotels, Inc. – Nexicore Services LLC Equipment Services Agreement, dated as of September 21, 2009, by and between Nexicore Services LLC and Six Continents Hotels, Inc., as amended by (a) that certain Addendum, effective April 1, 2011 and (b) that certain Amendment No. 1 to Addendum, dated April 15, 2011

69. Statement of Work, dated August 8, 2011, by and between CDW Logistics, Inc. and Nexicore Services
70. Statement of Work, dated February 10, 2011, by and between CDW Logistics, Inc. and Nexicore Services
71. Statement of Work – No. 1; Depot Repair Services, dated February 25, 2009, by and between Nexicore Service and Staples, as amended by that certain Addendum #1 dated September 14, 2011
72. Copier Lease, undated, by and between Minolta Business Solutions and Hartford Computer
73. Copier Lease, executed April 15, 2008, by and between S.M.A.R.T. Solutions, Konica Minolta Business Solutions USA Inc., Citicorp Vendor Finance, Inc. and Hartford Computer Group, Inc.
74. Image Management Agreement, dated September 22, 2005, by and between IKON Financial Services and Hartford Computer Group, Inc.
75. Sales Order / Service Order, dated September 1, 2010, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and IKON Office Solutions, Inc.
76. Lease Agreement, dated September 1, 2010, by and between Hartford Computer Group, Inc. and Ikon Financial Services
77. Equipment Removal Authorization, dated September 20, 2010, by and between Hartford Computer Group, Inc. and Ikon Financial Services
78. Leaf Lease Agreement, executed November 8, 2010, by and between Nexicore Services, LLC and LEAF Funding, Inc.
79. Pitney Bowes Contract # 609144 T (Agreement #873516), executed January 8, 2009, by and between Nexicore Services and Pitney Bowes
80. Pitney Bowes Lease; Pitney Bowes Global Financial Services LLC Lease Terms and Conditions, dated September 10, 2009, by and between Nexicore Services LLC and Pitney Bowers
81. Pitney Bowes Lease Terms and Conditions, executed November 21, 2008, by and between Nexicore Services and Pitney Bowes
82. Sonitrol Client Agreement Number L 55171, executed January 28, 2008, by and between Nexicore Services and Sonitrol Corporation d/b/a Sonitrol of Tampa
83. Installation and Service Agreement, dated December 1, 2009, by and between Stanley Convergent Security Solutions, Inc. and Nexicore Services

84. Use of Sony FedEx Account Number, dated October 16, 2008, by and between Sony Electronics Inc. and the Nexicore Services division of Hartford Computer Group, Inc.
85. FedEx Pricing Agreement, effective within five days of December 26, 2008, by and between Hartford Computer Group, Inc. and FedEx, as amended on December 9, 2008
86. Carrier Agreement, effective as of April 27, 2009, by and between Nexicore and United Parcel Service Inc.
87. Customer Commitment Agreement for Express Mail & Priority Mail Commercial Plus Pricing, dated March 31, 2011, by and between Nexicore Services and United States Postal Service
88. Vertex, Inc. Software License Agreement, effective as of July 26, 2010, by and between Vertex, Inc. and Hartford Computer Group, Inc. d/b/a Nexicore Services
89. Hartford Computer Group Proposal 37724, dated May 25, 2011, by and between Hartford Computer Group, Inc. and Xclutel Communications
90. Xclutel High Speed Data Service Service Level Agreement, undated, by and between Xclutel Network and Hartford Computer Group, Inc.
91. Network Service Agreement, effective as of May 26, 2011, by and between Xclutel, LLC and Hartford Computer Group, Inc.
92. Xclutel Voice Service Level Agreement, undated, by and between Xclutel, LLC and Hartford Computer Group, Inc.
93. Software License Terms and Conditions, executed October 7, 2010, by and between Vanguard Network Solutions, LLC and Nexicore Services
94. Mutual Non-Disclosure Agreement, dated May 22, 2009, by and between Nexicore Services and Acer America Corporation
95. Mutual Nondisclosure Agreement, dated December 30, 2008, by and between Alorica Inc. and Nexicore
96. Mutual Non-Disclosure Agreement, dated May 14, 2010, by and between American Express Travel Related Services Company, Inc. and Hartford Computer Group, Inc.
97. Mutual Nondisclosure Agreement, dated March 24, 2009, by and between AMT Warranty Corporation and Nexicore Services, Inc.
98. Mutual Nondisclosure Agreement, dated January 24, 2008, by and between AmTrust North America and Nexicore

99. Non-Disclosure Agreement, dated February 13, 2009, by and between Asurion Corporation and Nexicore
100. Non-Disclosure – Reciprocal, dated May 28, 2008, Nexicore Services, a division of Hartford Computers, Inc. and AT&T Services, Inc.
101. Nexicore Services Mutual Nondisclosure Agreement, undated, by and between Nexicore Services and Audio Video Repair Center
102. Non Disclosure Agreement, dated May 19, 2011, by and between Avnet Electronics Marketing, a Group of Avnet, Inc. and Nexicore Services
103. Request for Proposal Confidentiality Agreement, executed January 8, 2010, by and between Best Buy Enterprise Services, Inc. and Nexicore Services
104. Confidentiality Agreement Request for Proposal, Information or Quote, dated April 13, 2011, by and between Best Buy Enterprise Services, Inc. and Nexicore Services
105. Mutual Nondisclosure Agreement, dated September 7, 2010, by and between Chartis Warranty Services, Inc. and Nexicore Services
106. Confidentiality Agreement, dated August 11, 2010, by and between Conn's, Inc. and Nexicore
107. Mutual Non-Disclosure Agreement, dated January 7, 2010, by and between DecisionOne Corporation and Nexicore Services
108. Standard Non-Disclosure Agreement, dated July 2, 2009, by and between Dell Inc. and Nexicore Services
109. Mutual Non-Disclosure Agreement, dated October 22, 2010, by and between Nexicore Services Inc. and Encompass Parts Distributions, Inc.
110. Nondisclosure Agreement, executed July 29, 2009, by and between Nexicore Inc. and Flextronics International USA, Inc.
111. Confidentiality and Nondisclosure Agreement, dated September 21, 2009, by and between Second Rotation, Inc. (AKA Gazelle) and Nexicore Services
112. Confidentiality Agreement, dated May 12, 2010, by and between General Electric Company, acting solely on behalf of and through its GE Consumer & Industrial business component, and Nexicore
113. Mutual Non-Disclosure Agreement, dated October 18, 2010, by and between Nexicore Services, Inc. and Hisense USA
114. Confidentiality Agreement, dated July 16, 2010, by and between Ingram Micro Inc. and Nexicore Services

115. Non-Disclosure Agreement, dated October 28, 2008, by and between Jabil Circuit, Inc. and Nexicore Services
116. Business Associate Agreement, executed April 8, 2011, by and between Loyola University Medical Center and Hartford Computer Inc. d/b/a Nexicore Services
117. Confidentiality and Nondisclosure Agreement, dated September 17, 2010, by and between Hartford Computer Group, Inc. and Luis-Tiberian Group Inc.
118. Mutual Non-Disclosure Agreement, effective February 1, 2011, by and between Nexicore Services, Inc. and Millennium Technology Group LLC
119. Confidentiality Agreement, effective as of April 1, 2008, by and between National Parts Depot, Inc. and Nexicore Services
120. Mutual Nondisclosure Agreement, effective August 13, 2009, by and between NCR Corporation and Nexicore Services
121. NEC General Confidentiality Agreement, effective April 15, 2011, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and NEC Corporation of America
122. Mutual Non-Disclosure Agreement, dated July 27, 2009, by and between ORCS Web, Inc. and Nexicore
123. Confidential Disclosure Agreement, executed July 1, 2009, by and between Parts Now! LLC and Nexicore, Inc.
124. Non-Disclosure and Confidentiality Agreement, executed July 27, 2009, by and between Peak 10, Inc. and Nexicore
125. Non-Disclosure and Confidentiality Agreement, effective September 7, 2010, by and between Peer 1 Network (USA), Inc. d/b/a Peer 1 Hosting and Nexicore Services
126. Non-Disclosure Agreement, effective July 24, 2009, by and between Pitney Bowes Inc. and Nexicore Services
127. Mutual Non-Disclosure Agreement, dated July 22, 2010, by and between Promethean Inc. and Nexicore Services
128. Mutual Non-Disclosure Agreement, executed November 5, 2010, by and between Nexicore and PS2
129. Confidentiality Agreement, dated April 27, 2009, by and between ServiceBench, Inc. and Nexicore Services
130. Confidentiality/Non-Disclosure Agreement, effective January 19, 2011, by and between Sharp Electronics Corporation and Nexicore Services

131. Mutual Non-Disclosure Agreement, dated August 4, 2008, by and between Nexicore Services and Supply Chain Alliance, Inc.
132. Non-Disclosure Agreement, effective October 28, 2009, by and between SupportSoft, Inc. and Nexicore Services
133. Technology Integration Group Mutual Non-Disclosure Agreement, effective April 27, 2011, by and between PC Specialists d/b/a Technology Integration Group and Nexicore Services
134. Statement of Work – Onsite Desktop Repair Services, dated April 2, 2008, by and between Nexicore Services and Warranty Corporation of America
135. Nexicore Services Mutual Nondisclosure Agreement, undated, Nexicore Services and Teknowledgies LLC
136. Teleplan Reciprocal Non-Disclosure Agreement, undated, by and between Teleplan International and Hartford Computer Group, Inc. d/b/a Nexicore Services
137. Confidentiality Agreement, effective February 28, 2011, by and between Time Warner Cable Inc. and Hartford Computer Group, Inc. d/b/a Nexicore Services
138. Non Disclosure Agreement, dated November 6, 2009, by and between Tolt, LLC and Nexicore Services
139. Mutual Confidentiality and Non-Disclosure Agreement, effective March 2, 2011, by and between Troxell Communications, Inc. and Nexicore Services
140. Nondisclosure Agreement, executed June 9, 2008, by and between uBid.com Holdings, Inc. and Hartford Computer Inc. c/o Nexicore Services
141. Confidentiality Agreement, executed June 2, 2011, by and between Sunrise Bidders d/b/a Ubid Holdings, Inc. and Hartford Computer Group, Inc. d/b/a Nexicore Services
142. Webroot Mutual Non-Disclosure Agreement, effective August 26, 2009, by and between Webroot Software, Inc. and Nexicore Services
143. RadioShack Corporation Mutual Non-Disclosure Agreement, dated July 15, 2008, by and between RadioShack Corporation and Nexicore Services
144. Confidentiality and Non-Disclosure Agreement, effective July 6, 2007, by and between Hartford Computer Group, Inc. d/b/a Nexicore Services and SupportSoft, Inc.
145. Non-Disclosure Agreement, dated August 7, 2007, by and between Toshiba America Information Systems, Inc. and Nexicore Services

146. Mutual Non-Disclosure Agreement, effective November 27, 2007, by and between Warranty Corporation of America and Nexicore Services, LLC
147. Nexicore Mutual Non-Disclosure Agreement, dated May 4, 2007, by and between Nexicore Services and Warrantech Consumer Product Services
148. Nondisclosure Agreement, executed August 1, 2011, by and between Nexicore Services and Flextronics
149. Mutual Non-Disclosure Agreement, dated August 1, 2011, by and between Nexicore Services Inc. and TKO Electronics
150. Non Disclosure Agreement, dated May 16, 2008, by and between Avnet Electronics Marketing, a Group of Avnet, Inc. and Nexicore Services
151. Confidentiality Agreement, dated March 21, 2011, by and between Hartford Computer Group, Inc. and Avnet, Inc.
152. Mutual Non-Disclosure Agreement, dated August 17, 2011, by and between STAPLES and Hartford Computer Group, Inc. O/A Nexicore Services
153. Independent Sales Representative Agreement, dated June 1, 2011, by and between Strategic Sales Group, LLC and Nexicore Services
154. Independent Contractor Agreement, dated August 23, 2011, by and between Heartland Label Printers, Inc. d/b/a Heartland Business Systems and Nexicore Services
155. Nexicore Services Recruiting Consultant Agreement, effective as of August 22, 2011, by and between Vince LoBosco and Nexicore Services
156. Letter Agreement re: Preparation of Tax Returns for Nexicore, dated August 23, 2011, by and between J.H Cohn LLP and Hartford Computer Group, Inc.
157. PC Parts Distributor Agreement, dated April 1, 2009, by and between Sony Service Company, a division of Sony Electronics, Inc. and Hartford Computer Group, Inc.
158. Statement of Work, dated September 12, 2011, by and between Barrister Global Services Network, Inc. and Nexicore Services
159. Livescribe Inc. Authorized Reseller Program, executed September 27, 2011, by and between Hartford Computer Group, Inc. and Livescribe Inc.
160. Mutual Nondisclosure Agreement, dated September 19, 2011, by and between SQUARETRADE, Inc. and Nexicore Services

161. Mutual Non-Use & Non-Disclosure, Non-Competition, and Non-Solicitation Agreement, dated September 22, 2011, by and between Nexicore Services and Barrister Global Services Network, Inc.
162. Mutual Non-Disclosure Agreement, dated September 21, 2011, by and between Samsung Electronics America, Inc. and Nexicore Services
163. Carrier Agreement, executed August 19, 2011, by and between United Parcel Service, Inc. and Nexicore Services, as amended by that certain Addendum executed September 22, 2011
164. UPS Advisory and Technical Support Services Agreement, executed August 25, 2011, by and between United Parcel Service General Services Co. and Nexicore
165. Statement of Agreed Pricing, undated, by and between Nexicore Services and UPS Freight
166. Letter Agreement re: Letter of Understanding for the Eastern Suffolk BOCES RFQ #12-19-1027, dated October 20, 2011, by and between Nexicore Services and CDW Logistics, Inc.
167. Statement of Work #5, dated October 1, 2011, by and between Office Depot, Inc. and Hartford Computer Group, Incorporated d/b/a Nexicore Services
168. Authorized Service Provider Agreement, effective October 12, 2011, by and between Toshiba America Information Systems, Inc. and Nexicore Services
169. Confidentiality Agreement by and between Best Buy Enterprise Services, Inc. and Hartford Computer Group d/b/a Nexicore Services
170. Letter Agreement, dated March 21, 2011, by and between Bramasol, Inc. and Hartford Computer Group, Inc.
171. Enterprise Support Schedule, effective March 21, 2011, by and between Hartford Computer Group, Inc. and Bramasol, Inc.
172. Software License Agreement, effective March 21, 2011, by and between Bramasol, Inc. and Hartford Computer Group, Inc., as amended by that certain Appendix 1 effective March 21, 2011
173. Vendor Agreement, effective October 3, 2011, by and between Nexicore Services and SYX Distribution Inc., as amended by that certain Addendum dated October 3, 2011
174. Non-Disclosure Agreement, effective November 29, 2011, by and between Nexicore Services and InnoVest Group, L.C.

Schedule 2.1(h)(i)

Canadian Assets; Consents and Permits

1. Revenue Canada
 - a. Account number 885386557RC0001
2. British Columbia
 - a. Business number 885386557BT0001
 - b. Registration R461031
3. Ontario
 - a. Business name registration 211095534
 - b. Tax account 885386557TR0001
4. Quebec
 - a. Company number 1165122012

Schedule 2.1(h)(ii)

US Assets; Consents and Permits

1. City of Simi Valley Business Tax Certificate
2. Business License 2011, Village of Schaumburg

Schedule 2.1(o)(i)

Canadian Assets; Transferred Facilities

Industrial Lease Agreement – Net Rent, dated November 3, 2011, by and between 45 West Wilmot Street, Inc. and Hartford Computer Group, Inc.

Schedule 2.1(o)(ii)

US Assets; Transferred Facilities

1. Amended and Restated Lease, dated March 25, 2005, by and between Strategic Performance Fund – II, Inc. and Hartford Computer Group, Inc., as amended by (a) that certain First Amendment to Lease, dated June 3, 2010 and (b) Second Amendment to Lease, dated February 17, 2011
2. Commercial Lease, dated May 13, 2011, by and between Harford Computer Group and 1207 Remington L.L.C.
3. Standard Form of Store Lease, dated March 30, 2011, by and between CIAMPA M4, LLC and Hartford Computer Group, Inc.
4. Lease Agreement, dated January 27, 2009, by and between MP Trinity Exchange and Nexicore Services, Inc.
5. Sublease Agreement, effective February 1, 2012, by and between 3M Company, a Delaware corporation, and Hartford Computer Group, Inc., a Delaware corporation doing business as Nexicore Services.

Schedule 2.1(p)(i)

Canadian Assets; Miscellaneous

None.

Schedule 2.1(p)(ii)

US Assets; Miscellaneous

None.

Schedule 2.2(o)

Excluded Assets: Maryland Division

1. The following fixed assets:
 - a. Laptops –
 - i. 2 Probook 5310m. Nexicore services. Tag. F01445
 - ii. 2 HP Slate Lenovo X201
 - b. Hp Desktop 5000 Columbia
 - c. Printers
 - i. 2 HP photosmart printers
 - ii. HP Officejet 6500 Wireless
 - iii. HP 4435s
 - iv. Hp Laser M3027x mfp
 - v. Hp 8000 Professional
 - vi. Hp Laserjet CM1312
 - d. Displays
 - i. 2 Viewsonic Monitors
 - ii. 1 Hp Touchsmart Display
 - e. Phone numbers
 - i. (410) 740-3020
 - ii. (410) 740-8732
 - iii. (847) 874-6712
 - iv. (224) 836-3385
 - v. (847) 934-4301
 - vi. (800) 680-4424
 - vii. (800) 370-5849

- f. Office furniture located at 10480 Little Patuxent Parkway, Suite 400, Columbia, Maryland and used in connection with the Maryland Division
- g. Additional computer equipment located in Chicago
 - i. 2 PCs
 - (1) Carol Huff HP PC P/N 268616-001
 - (2) Jenny Fisher HP PC P/N 268621-001
 - ii. Printer – HP M3035XS Fax Printer, Part CC477A
 - iii. 2 tall black filing cabinets
- 2. All marketing material created for Maryland Division
- 3. HCGI domain name (<http://www.hcgi.com>)
- 4. The following contracts:
 - a. Hardware and Associated Equipment and Services Contract with Hartford Computer Group, Inc. awarded 10/01/07 BPO #060B9800013 (see <http://doit.maryland.gov/contracts/Pages/ContractLibraryHardware.aspx>)
 - b. Commercial Off-the-Shelf Software Contract awarded 9/12/07 BPO #060B9800011 (see <http://doit.maryland.gov/contracts/Pages/ContractLibraryCOTS.aspx>)
 - c. Maryland Enterprise Agreement for the Procurement and/or Lease of Microcomputer Hardware, PCs, Laptops, Servers and Services dated April 19, 2007, between The University System of Maryland on behalf of Maryland Enterprise Education Consortium and Hartford Computer (RFP USM2007-12) (Contact: Valerie Rollandelli)
 - d. Montgomery County, Maryland, Department of Technology Services, Information Technology Commodities Contract with Hartford Computer Government, Inc. (RFP #7345000068) (Contact: Mike Melvin)
- 5. Those seller receivables set forth in the attachment hereto.



Accounts Receivable For November 22, 2011

Customer	Unapplied Cash	Invoice Count	0-30 Days	30-60 Days	60-90 Days	90-120 Days	120+ Days	Balance
ADMIN OFFICE OF THE COURTS Sharon Hoff a-p supe ./1001115	-	2	474.99	-	-	-	-	474.99
ANNE ARUNDEL CTY PUBLIC SCHOOLS ATTN: Connie ./1005780	-	31	24,146.00	3,940.00	2,127.00	-	-	30,213.00
BD OF EDUCATION WASHINGTON COUNTY SUSAN FORD ./1007726	-	29	4,588.00	1,136.00	-	-	-	5,724.00
BRYN MAWR SCHOOL LYNN BYANK/4000041	-	2	285	1,524.00	-	-	-	1,809.00
CAPITOL COLLEGE Teresa A/P ./1009386	-	4	653	10,920.00	-	-	-	11,573.00
DEPT OF BUSINESS & ECONOMIC DEVELOPMENT -ATTN: A ./1008602	-	1	365	-	-	-	-	365.00
DEPT OF NATURAL RESOURCES MONA LOUGH/ACCTS PAY ./1001106	-	1	108	-	-	-	-	108.00
DHMH ATTN: Elaine ./1001276	-	1	0	3,288.00	-	-	-	3,288.00
DPSCS IT & CD ITCD FINANCIAL ./1000182	-	1	3,339.00	-	-	-	-	3,339.00
DTS-ENTERPRISE INFRASTRUCTURE DIV JOHN CASTNER 3RD FLOOR/4000044	-	1	463	-	-	-	-	463.00
FREDERICK CO PUBLIC SCHOOLS ACCOUNTS PAYABLE HEINER/3001325	-	26	7,415.91	-	-	-	-	7,415.91
FREDERICK COMMUNITY COLLEGE ACCOUNTS PAYABLE/4000061	-	1	20,622.00	-	-	-	-	20,622.00
FRIENDS SCHOOL OF BALTIMORE JEANNE PHIZACKLEA /4000068	-	4	939	220.00	-	-	-	1,159.00
HARFORD COUNTY GOVERNMENT Brad Burgess /4000092	-	4	15,774.00	-	-	-	-	15,774.00
HOOD COLLEGE ACCOUNTS PAYABLE /4000114	-	1	589	-	-	-	-	589.00
HOWARD COUNTY PUBLIC SCHOOL SYS ATTN: ACCOUNTS PAYAB ./1002332	-	5	11,034.00	-	-	-	-	11,034.00
JUDICIAL INFORMATION SYSTEMS Attn: THERESA NUDELL TIN# 36- 2973523/3000867	-	2	2,094.00	-	-	-	-	2,094.00
KENNEDY KRIEGER INSTITUTE ACCOUNTS PAYABLE /4000104	-	9	9,270.00	-	-	-	-	9,270.00
LOYOLA BLAKEFIELD TREASURER ./4000059	-	4	3,050.00	-	-	-	-	3,050.00
MARYLAND DEPT. OF ENVIRONMENT ACCOUNTS PAYABLE ./1009432	-	1	272	-	-	-	-	272.00
MD NATIONAL CAPITAL PARK & PLANNING ACCOUNTS PAYABLE DEPARTMENT OF FINANC/1009682	-	2	3,132.00	-	-	-	-	3,132.00
MONTGOMERY COLLEGE Quynh Chau ./1001317	-	9	6,948.00	1,438.00	1,357.00	-	-	9,743.00
MONTGOMERY COUNTY GO Karen Lamb/4000031	-	2	2,677.00	-	-	-	-	2,677.00
MONTGOMERY COUNTY PUBLIC SCHOOLS ATTN: ACCOUNTS PAYAB ./1006248	156.00	4271	100,476.12	51,081.84	464.00	5,675.00	-	157,540.96
ONE TIME CUSTOMER ATTN: ACCTS PAYABLE ./2000010	-	5	15,000.00	-	-	-	-	15,000.00
PENN DELCO SCHOOL ADMIN BLDG PENN DELCO SCHOOL/4000117	-	10	5,165.00	-	-	-	-	5,165.00
PRINCE GEORGE&039;S CO GOVERNMENT LAURA LEE - OITC/4000021	-	9	8,731.00	-	-	-	-	8,731.00
PRINCE GEORGES CO SCHOOLS Allison Chung-A/P ./1001701	-	27	11,192.00	1,632.00	-	-	-	12,824.00
ROLAND PARK COUNTRY SCHOOL ROLAND PARK COUNTRY SCHOOL/4000080	-	1	5,366.00	-	-	-	-	5,366.00

Customer	Unapplied Cash	Invoice Count	0-30 Days	30-60 Days	60-90 Days	90-120 Days	120+ Days	Balance
SHEPPARD PRATT HEALTH SYSTEMS ATTN: ACCOUNTS PAYAB /4000075	-	1	696	-	-	-	-	696.00
STATE OF MD TREASURER&039:S OFFICE JUDY SMITH/4000069	-	1	0	-	7,121.00	-	-	7,121.00
STATE POLICE DEPT OF RON CAELBAUCH ./1001090	-	1	40,598.00	-	-	-	-	40,598.00
STEVENSON UNIVERSITY ACCOUNTS PAYABLE /4000054	-	24	20,948.00	1,578.00	-	-	-	22,526.00
TRANSPORTATION DEPT OF Rob West/Jerome Hill ./1001141	-	3	22,612.00	25,542.00	-	-	-	48,154.00
U OF MD AT COLLEGE PARK ATTN: ACCOUNTS PAYAB ./1001140	-	4	12,462.00	-	-	-	-	12,462.00
UNIV OF MD UNIV COLLEGE (UMUC) ATTN: ACCOUNTS PAYAB ./1005957	-	1	1,894.00	-	-	-	-	1,894.00
UNIVERSITY OF MD MEDICAL DONATA MOORING/4000079	3,837.00	7	0	-	-	-	-	(3,837.00)
WORKERS COMPENSATION COMMISSION CHRISTEL SURDOKAS ./1000407	-	1	0	98.00	-	-	-	98.00
	(3,993.00)		363,379.02	102,397.84	11,069.00	5,675.00	-	478,527.86

Schedule 2.2(q)

Excluded Assets

1. Bank of America Account #0055 0830 9606
2. Hartford Computer Group and associated U.S. Registration No. 2236684



Schedule 2.4

Excluded Liabilities

None.

Schedule 4.5

Seller Governmental Authorizations and Consents

None.

Schedule 4.6

Financial Statements

See attached.

December 31, 2008
Year-End Financial Statements

**Hartford Computer Group, Inc.
and Subsidiaries**

Report on Consolidated Financial Statements

Year Ended December 31, 2008

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Report of Independent Public Accountants

To the Stockholders and Board of Directors
Hartford Computer Group, Inc.

We have audited the accompanying consolidated balance sheet of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2008, and the related consolidated statements of operations, stockholders' deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2008, and their results of operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

J.H. Cohn LLP

Los Angeles, California
March 29, 2010

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

December 31, 2008

(In thousands, except share data)

ASSETS

CURRENT ASSETS

Cash	\$ 1,189
Restricted cash	1,800
Accounts receivable, net	5,388
Inventories	3,616
Prepaid and other current assets	<u>542</u>

Total current assets 12,535

PROPERTY AND EQUIPMENT, net 424

OTHER ASSETS 244

\$ 13,203

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

December 31, 2008

(In thousands, except share data)

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Line of credit	\$ 954
Accounts payable	2,172
Accrued expenses and other liabilities	6,108
Deferred revenues	336
Accrued interest - related parties	19,079
Notes payable - related parties	<u>27,666</u>
Total current liabilities	56,315

DEFERRED RENTS

	183
Total liabilities	<u>56,498</u>

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' DEFICIT

Series A preferred stock, \$0.001 par value:	
Authorized - 1,000,000 shares	
Issued and outstanding - 598,000 shares	1
Liquidation preference of \$5,980,000	
Common stock, \$0.001 par value:	
Class A - Authorized 10,000,000 shares,	
Issued and outstanding 4,800,000 shares	
Class B - Authorized 10,000,000 shares,	
Issued and outstanding 4,800,000 shares	
Class C - Authorized 5,000,000 shares,	11
Issued and outstanding 1,390,636 shares	
Additional paid-in capital	48,809
Accumulated deficit	(91,838)
Accumulated other comprehensive loss - foreign currency translation	<u>(278)</u>
	<u>(43,295)</u>
	<u>\$ 13,203</u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2008

(In thousands)

Revenues	\$	66,858
Cost of revenues		<u>46,799</u>
Gross profit		20,059
Operating expenses		<u>18,394</u>
Income from operations		<u>1,665</u>
Other income (expense):		
Interest expense		(6,851)
Interest income		65
Other expense, net		<u>(37)</u>
		<u>(6,823)</u>
Loss before provision for income taxes		(5,158)
Provision for income taxes		<u>(5)</u>
NET LOSS	\$	<u><u>(5,163)</u></u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
For the year ended December 31, 2008
(In thousands, except share data)

	Series A preferred stock		Common stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Shares	Amount	paid-in capital	deficit	other comprehensive loss	Stockholders' Deficit
Balance, January 1, 2008	598,000	\$ 1	10,990,636	\$ 11	\$ 48,809	\$ (86,675)	\$ (32)	<u>\$ (37,886)</u>
Comprehensive loss:								
Net loss						(5,163)		(5,163)
Foreign currency translation adjustment							(246)	<u>(246)</u>
Total comprehensive loss								<u>(5,409)</u>
Balance, December 31, 2008	<u>598,000</u>	<u>\$ 1</u>	<u>10,990,636</u>	<u>\$ 11</u>	<u>\$ 48,809</u>	<u>\$ (91,838)</u>	<u>\$ (278)</u>	<u>\$ (43,295)</u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2008
(In thousands)

Cash flows from operating activities:	
Net loss	\$ (5,163)
Adjustments to reconcile net loss to net cash	
used in operating activities:	
Depreciation and amortization	164
Bad debt expense	57
Changes in operating assets and liabilities:	
Accounts receivable	(201)
Inventories	(831)
Prepaid expenses and other current assets	128
Other assets	(93)
Accounts payable	635
Accrued expenses and other current liabilities	(1,871)
Deferred revenues	336
Deferred rents	(48)
Accrued interest - related parties	6,481
Net cash used in operating activities	<u>(406)</u>
Cash flows from investing activities:	
Purchases of property and equipment	(248)
Restricted cash	<u>(300)</u>
Net cash used in investing activities:	<u>(548)</u>
Cash flows from financing activities:	
Net borrowings on line of credit	<u>323</u>
Effect of foreign exchange rates on cash	<u>31</u>
Net decrease in cash	(600)
Cash at beginning of year	<u>1,789</u>
Cash at end of year	<u><u>\$ 1,189</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 306</u></u>

See notes to consolidated financial statements

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Hartford Computer Group, Inc. and Subsidiaries (collectively the “Company”) is a full cycle computer reseller engaged in depot repair of laptop computers, onsite repair of desktop computers, sale of computer hardware and software, and the sale of computer parts. The Company sells its products and services to a wide range of customers throughout the United States and Canada.

Hartford Computer Group, Inc. (“Hartford”), dba Nexicore Services in the United States and Canada, was incorporated in Illinois in 1978 and was later reorganized as a Delaware corporation under the same name in 2005. Hartford has its headquarters in California, has a branch location in Canada, and sales offices in Illinois and Maryland.

Nexicore Services, LLC was organized in 2002 in Florida and is a wholly-owned subsidiary of Hartford. Nexicore Services, LLC’s facility is located in Florida where it houses the Company’s call center.

Hartford Computer Government, Inc. was incorporated in 2004 in Illinois and is a wholly-owned subsidiary of Hartford. Hartford Computer Hardware, Inc. was incorporated in 2005 in Illinois and is a wholly-owned subsidiary of Hartford.

Liquidity

As of December 31, 2008, the Company has negative working capital, with a significant portion of its current liabilities related to notes payable to related parties (see Note E). These notes are effectively due on demand but to date, the lenders have not demanded repayment of the principal or unremitted accrued interest.

Principles of Consolidation

The consolidated financial statements include the accounts of Hartford, Hartford Computer Government, Inc., Hartford Computer Hardware, Inc., and Nexicore Services, LLC. All material intercompany balances and transactions have been eliminated in consolidation.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Currency Translation

The financial statements of Nexicore Services in the Company's Canada division are translated into United States dollars, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation", using current and historical exchange rates, as appropriate. The functional currency is the Canadian dollar and, accordingly, foreign currency translation adjustments should be included as a component of accumulated other comprehensive loss in the consolidated statement of stockholders' deficit. Translation losses for the year ended December 31, 2008 were \$246. Any gains or losses resulting from foreign currency transactions are reflected in the consolidated statement of operations for the period in which they occur. Transaction losses for the year ended December 31, 2008 totaled \$187 and are included in other expense in the accompanying consolidated statement of operations.

Restricted Cash

The Company's restricted cash of \$1,800 as of December 31, 2008 is used to secure the letters of credit that the Company has with a bank (see Note I).

Inventories

Inventories are comprised primarily of finished goods and are stated at the lower of cost (moving weighted average) or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the remaining lease term.

Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Revenue Recognition

Service revenues – The Company recognizes service revenues upon completion of the service event. Service revenues for the year ended December 31, 2008 were approximately \$55,000.

Hardware revenues - The Company recognizes revenues from the sales of packaged hardware and software when title and risk of loss transfers to the customer, which is generally upon shipment. Hardware revenues for the year ended December 31, 2008 were approximately \$11,900.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

All revenues are recorded net of sales taxes.

The Company recorded deferred revenues of \$336 at December 31, 2008 related to one purchase contract with a governmental body. The deferred revenues represent installation, training, and other services that were completed in 2009.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under SFAS 109, income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets are recognized for the future tax consequences of transactions that have been recognized in the Company's financial statements or tax returns. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Long Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the asset's carrying amount to the future net cash flows the asset is expected to generate. If an asset is considered to be impaired, the impairment to be recognized is measured by the amount at which the carrying amount of the asset exceeds its fair value. During the year ended December 31, 2008, no impairment was recognized.

Shipping Costs

For the year ended December 31, 2008, the Company billed freight-out to customers in the amount of \$227, which are included in revenues, and costs incurred for freight-out were \$2,591, which were included in cost of revenues.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$5 for the year ended December 31, 2008.

Deferred Rents

The Company's operating leases for its California, Florida, and Canada facilities include scheduled rent increases. In accordance with accounting policies generally accepted in the United States, the Company has accounted for these leases to provide straight-line charges to operations over the lives of the leases.

New Accounting Pronouncement

In June 2006, Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - An Interpretation of SFAS No. 109," was issued. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS 109. FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FASB Staff Position ("FSP") FIN 48-3 deferred adoption for most nonpublic enterprises to annual periods beginning after December 15, 2008. The Company, pursuant to the FSP, elected to defer its application until its required effective date of January 1, 2009. The Company's policy for evaluating uncertain tax positions prior to the adoption of FIN 48 is based on management's estimate of whether it is reasonably possible that a liability has been incurred for unrecognized income tax benefits by applying SFAS No. 5, "Accounting for Contingencies". Management does not expect the adoption of FIN 48 to have a material effect on the consolidated financial condition or results of operations of the Company.

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable balances at December 31, 2008 are as follows:

	<u>2008</u>
Accounts receivable	\$ 5,868
Allowance for doubtful accounts and returns	<u>(480)</u>
	<u>\$ 5,388</u>

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2008:

	<u>Useful Lives</u>	<u>2008</u>
Computer equipment and software	3 - 5 yrs	\$ 260
Automobiles	3 yrs	27
Leasehold improvements	3 – 10 yrs	216
Test equipment	1 – 5 yrs	196
Furniture and fixtures	5 – 7 yrs	<u>260</u>
		959
Less accumulated depreciation and amortization		<u>(535)</u>
		<u>\$ 424</u>

Depreciation and amortization expense associated with property and equipment was \$164 for the year ended December 31, 2008.

NOTE D – LINE OF CREDIT

Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. have a revolving credit facility with a finance company with a maximum credit limit of \$1,500 for inventory purchases. Invoices of authorized suppliers for inventory purchases made by the Company are paid directly by the finance company. Outstanding advances cannot exceed the lesser of the credit limit or borrowing base. Outstanding advances at December 31, 2008 were \$954.

Interest accrues when the Company defers payments to the finance company beyond the authorized suppliers' payment terms and is payable monthly at a base rate as determined by the finance company plus a finance rate of 8.4%. At December 31, 2008, the prevailing interest rate was 12.4%. Interest expense for the year ended December 31, 2008 is \$5. Annual fees for the credit facility are \$6.

Advances under the line of credit facility are collateralized by an irrevocable letter of credit of \$1,500 (see Note I).

The credit agreement includes provisions for reporting and financial covenants. Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. are not in compliance with these covenants as of December 31, 2008.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE E – NOTES PAYABLE - RELATED PARTIES

Notes payable – related parties are due to three of the Company's stockholders and consist of the following:

Notes Payable-Senior Lender

Senior Lender note payable, bearing interest at prime (prime rate was 3.25% at December 31, 2008) plus 7.25%, original due date of December 31, 2006 and effectively due on demand, monthly interest payments at the prime rate were made in 2008. \$ 4,418

Term note A, bearing interest at prime (prime rate was 3.25% at December 31, 2008) plus a 9.0% margin and 2% default rate, original due date of May 9, 2008 and effectively due on demand. 9,579

Term note B, bearing interest at 11.0% plus 3% default rate, original due date of May 9, 2008 and effectively due on demand. 5,102

Term note C, bearing interest at prime (prime rate was 3.25% at December 31, 2008) plus 6.25% and effectively due on demand. 3,032

Term note D, bearing interest at 25.0% and effectively due on demand. 1,500

Term note E, bearing interest at 25.0% and effectively due on demand. 2,000

Promissory note payable bearing interest at 8%, original due date of June 1, 2005 and effectively due on demand, unsecured and subordinated to the Senior Lender. 869

Promissory note payable, bearing interest at 5%, original due date of June 1, 2005 and effectively due on demand, unsecured and subordinated to the Senior Lender. 1,166

\$ 27,666

Interest expense on these notes for the year ended December 31, 2008 is \$6,747 and accrued interest on these notes totaled \$19,079 at December 31, 2008.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE F – INCOME TAXES

The Company is delinquent in filing its federal and various states' income tax returns since 2004 and is currently in the process of preparing these delinquent income tax returns. The Company expects to owe penalties and interest but is currently unable to estimate these amounts.

The Company has recorded a provision of approximately \$5 for the year ended December 31, 2008 that primarily represents the minimum state income taxes

As of December 31, 2008, the Company's deferred income tax assets total approximately \$35,000 which are primarily comprised of federal and state net operating loss carryforwards and accrued interest to related parties, and for which there is a full valuation allowance. The federal and state net operating loss carryforwards expire at various dates through 2028. The valuation allowance increased by approximately \$2,000 during the year ended December 31, 2008.

NOTE G – CONTINGENT LIABILITIES

In the ordinary course of conducting its business, the Company becomes involved in various lawsuits and administrative proceedings. Some of these proceedings may result in fines, penalties, or judgments being assessed against the Company which, from time to time, may have an impact on earnings for a particular period. The Company has been a party to several lawsuits some of which have settled over the previous years. As of December 31, 2008, the Company was aware of three remaining lawsuits: (1) the first one the Company began settlement proceedings prior to 2008 and was subsequently settled in October 2009 for approximately \$300; (2) the second one the Company continues to defend and is able to reasonably estimate its costs; and (3) the third one the Company continues to defend but, along with legal counsel, is unable to determine the outcome and costs. It is the Company's policy to record liabilities for estimated legal fees and settlements in the period it determines that such amounts can be reasonably estimated. At December 31, 2008, the Company has a liability of \$1,253 related to such costs, which is included in accrued expenses and other liabilities in the accompanying consolidated balance sheet.

The Company is undergoing a sales tax audit by the State of California for the years 2005 through 2008. The Company has recorded a \$500 reserve as of December 31, 2008, included in accrued expenses and other liabilities in the accompanying consolidated balance sheet, based on its current assessment of the preliminary audit results, including any possible interest and penalties.

NOTE H – RETIREMENT PLAN

For United States employees, the Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees the ability to defer a portion of their annual compensation up to the annual maximum amount allowable by law. The plan also allows for the Company to make discretionary contributions. The Company made no contributions to the plan during the year ended December 31, 2008.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE I – COMMITMENTS

Operating Leases

The Company leases its California, Florida and Canada facilities under non-cancelable operating leases. During the year ended December 31, 2008, monthly payments for these facilities totaled approximately \$90 and the monthly payments increase at specified rates each year. These leases expire at various dates through December 2013. Under the terms of these leases, the Company is required to pay all utilities, real estate taxes, and insurance costs associated with the properties. The Company leases its Illinois and Maryland facilities under month-to-month lease agreements.

The Company leases certain equipment under several non-cancelable operating leases with aggregate monthly payments of approximately \$17. These leases expire at various dates through June 2014.

Rent expense under these leases totaled \$996 for the year ended December 31, 2008.

The following is a schedule of future minimum lease payments:

Years ending December 31,	
2009	\$ 1,373
2010	1,289
2011	650
2012	310
2013	186
Thereafter	<u>4</u>
	<u>\$ 3,812</u>

Letters of Credit

The Company has a \$1,500 irrevocable letter of credit facility with a bank that is used to secure advances on the line of credit facility (see Note D). This letter of credit is secured by a \$1,500 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheet, and expired on July 15, 2009. This letter of credit facility and certificate of deposit were subsequently renewed.

The Company has a \$300 standby letter of credit facility with a bank that is used to secure accounts payable to one of the Company's vendors. This letter of credit is secured by a \$300 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheet, and expired on May 13, 2009. This letter of credit facility and certificate of deposit were subsequently renewed.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE J – CONCENTRATIONS OF RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and accounts receivable.

The Company maintains its cash balances in financial institutions located in the United States and Canada. The Company's cash balances located in the United States are insured by the Federal Deposit Insurance Corporation up to \$250 and cash balances located in Canada have no insurance coverage. At December 31, 2008, the Company's uninsured cash balances totaled approximately \$1,656.

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, their dispersion across different geographic areas, and generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers while maintaining allowances for potential credit losses. On a periodic basis, the Company evaluates its trade accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations.

The Company made significant sales to two customers of approximately \$18,000 and \$12,000 during the year ended December 31, 2008 which collectively represented 45% of total revenues. Accounts receivable from two customers totaled approximately \$2,200 which represented 38% of total accounts receivable at December 31, 2008.

NOTE K – PREFERRED AND COMMON STOCK

Series A Preferred Stock

Holders of Series A Preferred Stock are entitled to elect 2 Directors to the Board of Directors. Upon liquidation, dissolution or winding-up of the Company, holders of Series A Preferred Stock are entitled to be paid out before holders of Common Stock at \$10.00 per share. Dividends are payable when declared by the Board of Directors.

Common Stock

The Company issued 3 classes of Common Stock:

- Class A – entitled to elect 5 Directors to the Board of Directors
- Class B – entitled to elect 1 Director to the Board of Directors
- Class C – entitled to elect 1 Director to the Board of Directors, pending approval of the majority of the other members of the Board of Directors

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008
(In thousands)

NOTE K – PREFERRED AND COMMON STOCK (Continued)

Common Stock (Continued)

Upon liquidation, dissolution or winding-up of the Company, and after holders of Series A Preferred Stock have been paid out, any remaining assets will be paid out to holders of Class A, B, and C Common Stock on a pro-rata basis. The 2005 reorganization and merger agreement further provides that the aggregate amount of pay-out to holders of Class A and B Common Stock shall be paid based on a specific allocation schedule.

December 31, 2009
Year-End Financial Statements

**Hartford Computer Group, Inc.
and Subsidiaries**

Report on Consolidated Financial Statements

Years Ended December 31, 2009 and 2008

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Report of Independent Public Accountants

To the Stockholders and Board of Directors
Hartford Computer Group, Inc.

We have audited the accompanying consolidated balance sheets of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2009 and 2008, and their results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B to the consolidated financial statements, the Company has had recurring losses, deficit equity and negative working capital, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding this matter are also described in Note B. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The accompanying consolidated financial statements have been restated to reflect that the debt discussed in Note F is secured by substantially all the assets of the Company and that the Company was not in compliance with certain covenants for which it obtained a waiver.

J. H. Cohn LLP

Los Angeles, California

October 15, 2010

(except for Notes A and F, as to which the date is January 10, 2011)

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008
(In thousands, except share data)

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash	\$ 2,350	\$ 1,189
Restricted cash	2,231	1,800
Accounts receivable, net	6,948	5,388
Inventories	4,922	3,616
Prepaid expenses and other current assets	<u>763</u>	<u>542</u>
Total current assets	17,214	12,535
PROPERTY AND EQUIPMENT, net	424	424
OTHER ASSETS	<u>252</u>	<u>244</u>
	<u>\$ 17,890</u>	<u>\$ 13,203</u>

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2009 and 2008
(In thousands, except share data)

LIABILITIES AND STOCKHOLDERS' DEFICIT

	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES		
Line of credit	\$ 543	\$ 954
Accounts payable	3,964	2,172
Accrued expenses and other liabilities	5,239	6,108
Deferred revenues	-	336
Accrued interest - related parties	26,271	19,079
Notes payable - related parties	<u>29,296</u>	<u>27,666</u>
Total current liabilities	65,313	56,315
DEFERRED RENTS	<u>207</u>	<u>183</u>
Total liabilities	<u>65,520</u>	<u>56,498</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Series A preferred stock, \$0.001 par value:		
Authorized - 1,000,000 shares		
Issued and outstanding - 598,000 shares		
Liquidation preference of \$5,980,000	1	1
Common stock, \$0.001 par value:		
Class A - Authorized 10,000,000 shares,		
Issued and outstanding 4,800,000 shares		
Class B - Authorized 10,000,000 shares,		
Issued and outstanding 4,800,000 shares		
Class C - Authorized 5,000,000 shares,		
Issued and outstanding 1,390,636 shares	11	11
Additional paid-in capital	48,809	48,809
Accumulated deficit	(95,858)	(91,838)
Accumulated other comprehensive loss - foreign currency translation	(593)	(278)
	<u>(47,630)</u>	<u>(43,295)</u>
	<u>\$ 17,890</u>	<u>\$ 13,203</u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2009 and 2008

(In thousands)

	<u>2009</u>	<u>2008</u>
Revenues	\$ 74,796	\$ 66,858
Cost of revenues	<u>52,041</u>	<u>46,799</u>
Gross profit	22,755	20,059
Operating expenses	<u>19,563</u>	<u>18,394</u>
Income from operations	<u>3,192</u>	<u>1,665</u>
Other income (expense):		
Interest expense	(7,557)	(6,851)
Interest income	25	65
Other income (expense), net	<u>328</u>	<u>(37)</u>
	<u>(7,204)</u>	<u>(6,823)</u>
Loss before provision for income taxes	(4,012)	(5,158)
Provision for income taxes	<u>(8)</u>	<u>(5)</u>
NET LOSS	<u>\$ (4,020)</u>	<u>\$ (5,163)</u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the years ended December 31, 2009 and 2008
(In thousands, except share data)

	Series A preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
	Shares	Amount	Shares	Amount				
Balance, January 1, 2008	598,000	\$ 1	10,990,636	\$ 11	\$ 48,809	\$ (86,675)	\$ (32)	\$ (37,886)
Net loss for 2008						(5,163)		(5,163)
Foreign currency translation adjustment							(246)	(246)
Total comprehensive loss								(5,409)
Balance, December 31, 2008	598,000	1	10,990,636	11	48,809	(91,838)	(278)	(43,295)
Net loss for 2009						(4,020)		(4,020)
Foreign currency translation adjustment							(315)	(315)
Total comprehensive loss								(4,335)
Balance, December 31, 2009	598,000	\$ 1	10,990,636	\$ 11	\$ 48,809	\$ (95,858)	\$ (593)	\$ (47,630)

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2009 and 2008
(In thousands)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net loss	\$ (4,020)	\$ (5,163)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	191	164
Bad debt expense	124	57
Changes in operating assets and liabilities:		
Accounts receivable	(1,428)	(201)
Inventories	(1,022)	(831)
Prepaid expenses and other current assets	(193)	128
Other assets	5	(93)
Accounts payable	1,597	635
Accrued expenses and other liabilities	(1,161)	(1,871)
Deferred revenues	(336)	336
Deferred rents	18	(48)
Accrued interest - related parties	7,192	6,481
Net cash provided by (used in) operating activities	<u>967</u>	<u>(406)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(167)	(248)
Restricted cash	(431)	(300)
Net cash used in investing activities	<u>(598)</u>	<u>(548)</u>
Cash flows from financing activities:		
Net (payments) borrowings on line of credit	(411)	323
Borrowings on notes payable - related parties	1,630	-
Net cash provided by financing activities	<u>1,219</u>	<u>323</u>
Effect of foreign exchange on cash	<u>(427)</u>	<u>31</u>
Net increase (decrease) in cash	1,161	(600)
Cash at beginning of year	1,189	1,789
Cash at end of year	<u>\$ 2,350</u>	<u>\$ 1,189</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 365</u>	<u>\$ 306</u>
Cash paid during the year for income taxes	<u>\$ 8</u>	<u>\$ -</u>

See notes to consolidated financial statements

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE A - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Hartford Computer Group, Inc. and Subsidiaries (collectively the "Company") is an electronics repair company engaged in the reselling, whole unit depot repair, onsite services, and part repair/distribution for laptop computers, desktop computers, consumer gaming units, printers, flat screen televisions, and other consumer and commercial electronics. The Company's customers are located throughout the United States, including Puerto Rico and Guam, and in Canada.

Hartford Computer Group, Inc. ("Hartford"), dba Nexicore Services in the United States and Canada, was incorporated in Illinois in 1978 and was later reorganized as a Delaware corporation under the same name in 2005. Hartford has its headquarters in California, has a branch location in Canada, and sales offices in Illinois and Maryland.

Nexicore Services, LLC was organized in 2002 in Florida and is a wholly-owned subsidiary of Hartford. Nexicore Services, LLC's facility is located in Florida where it houses the Company's call center.

Hartford Computer Government, Inc. was incorporated in 2004 in Illinois and is a wholly-owned subsidiary of Hartford. It operates in the state of Maryland where it primarily services governmental entities.

Hartford Computer Hardware, Inc. was incorporated in 2005 in Illinois and is a wholly-owned subsidiary of Hartford. It operates in Illinois where it services a contract with a major retailer.

Principles of Consolidation

The consolidated financial statements include the accounts of Hartford, Hartford Computer Government, Inc., Hartford Computer Hardware, Inc., and Nexicore Services, LLC. All material intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency Translation

The financial statements of Nexicore Services in the Company's Canada division are translated into United States dollars, using current and historical exchange rates, as appropriate. The functional currency is the Canadian dollar and, accordingly, foreign currency translation adjustments should be included as a component of accumulated other comprehensive loss in the consolidated statements of stockholders' deficit. Translation losses for the years ended December 31, 2009 and 2008 were \$315 and \$246, respectively. Any losses resulting from foreign currency transactions are reflected in the consolidated statements of operations for the period in which they occur. Transaction gains (losses) for the years ended December 31, 2009 and 2008 totaled \$221 and (\$187), respectively, and are included in other income (expense) in the accompanying consolidated statements of operations.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE A - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

The Company's restricted cash as of December 31, 2009 and 2008 of \$2,231 and \$1,800, respectively, is used to secure the letters of credit that the Company has with a bank (see Note J).

Inventories

Inventories are comprised primarily of finished goods and are stated at the lower of cost (moving weighted average) or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the remaining lease term.

Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Revenue Recognition

Service revenues - The Company recognizes service revenues upon completion of the service event. Service revenues for the years ended December 31, 2009 and 2008 were approximately \$63,800 and \$55,000, respectively.

Hardware revenues - The Company recognizes revenues from the sales of packaged hardware and software when title and risk of loss transfers to the customer, which is generally upon shipment. Hardware revenues for the years ended December 31, 2009 and 2008 were approximately \$11,000 and \$11,900, respectively.

All revenues are recorded net of sales taxes.

The Company recorded deferred revenues of \$336 at December 31, 2008 related to one purchase contract with a governmental body. The deferred revenues represent installation, training, and other services that were completed in 2009.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE A - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Long Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the asset's carrying amount to the future net cash flows the asset is expected to generate. If an asset is considered to be impaired, the impairment to be recognized is measured by the amount at which the carrying amount of the asset exceeds its fair value. During the years ended December 31, 2009 and 2008, no impairment was recognized.

Shipping Costs

The Company records costs incurred for freight-out in cost of revenues.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$57 and \$5 for the years ended December 31, 2009 and 2008, respectively.

Deferred Rents

The Company's operating leases for its California, Florida, and Canada facilities include scheduled rent increases. The Company has accounted for these leases to provide straight-line charges to operations over the lives of the leases.

Income Taxes

Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for future tax consequences of transactions that have been recognized in the Company's financial statements or tax returns. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE A - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company adopted the new accounting for uncertainty in income taxes guidance on January 1, 2009. The adoption of that guidance did not result in the recognition of any unrecognized tax benefits and the Company has no unrecognized tax benefits at December 31, 2009 and 2008. The Company's U.S. Federal and state income tax returns prior to the 2003 calendar year are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company recognizes interest and penalties associated with tax matters as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the consolidated balance sheets.

Subsequent Events

The Company has evaluated subsequent events through October 15, 2010, which is the date the consolidated financial statements were originally available to be issued, and January 10, 2011, which is the date the reissued consolidated financial statements were available to be issued. The change reflects a revised disclosure, which was originally issued in error, that the debt discussed in Note F is secured by substantially all assets of the Company rather than unsecured, and that the Company was not in compliance with certain covenants for which it obtained a waiver.

NOTE B - GOING CONCERN

The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As of December 31, 2009 and 2008, the Company has had recurring losses (resulting from interest expense on notes payable to related parties), deficit equity and negative working capital with a significant portion of its current liabilities related to notes payable to related parties (see Note F). These notes and the related accrued interest are effectively due on demand. The Company has attempted to negotiate the extension of the loans with the Senior Lenders. Through the current date, the Senior Lenders, who are also stockholders of the Company, have not demanded repayment of the principal or unremitted accrued interest. In 2010, one of the related party debt holders whose note payable is subordinated to the Senior Lenders notes (see Note F) filed to foreclose on its loan of approximately \$1,400 at the time of filing. Management and legal counsel believe that this cause of action will not be maintained because this debt is contractually subordinated to the Senior Lenders' related party notes. Management does not expect that the Senior Lenders will demand repayment in the foreseeable future.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable balances at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Accounts receivable	\$ 7,573	\$ 5,868
Allowance for doubtful accounts	(402)	(260)
Allowance for returns	(223)	(220)
	<u>\$ 6,948</u>	<u>\$ 5,388</u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2009 and 2008:

	<u>Useful Lives</u>	<u>2009</u>	<u>2008</u>
Computer equipment and software	3 - 5 yrs	\$ 286	\$ 260
Automobiles	3 yrs	27	27
Leasehold improvements	3 - 10 yrs	267	216
Test equipment	1 - 5 yrs	243	196
Furniture and fixtures	5- 7 yrs	289	260
Sub-total		1,112	959
Less accumulated depreciation and amortization		(688)	(535)
		<u>\$ 424</u>	<u>\$ 424</u>

Depreciation and amortization expense associated with property and equipment for the years ended December 31, 2009 and 2008 was \$191 and \$164, respectively.

NOTE E – LINE OF CREDIT

Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. have a revolving credit facility with a finance company with a maximum credit limit of \$1,500 for inventory purchases. Invoices of authorized suppliers for inventory purchases made by the Company are paid directly by the finance company. Outstanding advances cannot exceed the lesser of the credit limit or borrowing base. Outstanding advances at December 31, 2009 and 2008 were \$543 and \$954, respectively.

Interest accrues when the Company defers payments to the finance company beyond the authorized suppliers' payment terms and is payable monthly at a base rate as determined by the finance company plus a finance rate of 7.65%. At December 31, 2009 and 2008, the prevailing interest rates were 10.9% and 12.4%, respectively. Interest expense for the years ended December 31, 2009 and 2008 was \$44 and \$5, respectively. Annual fees for the credit facility are \$6 for both years.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE E - LINE OF CREDIT (Continued)

Borrowings under the line of credit facility are collateralized by an irrevocable letter of credit of \$1,500 (see Note J).

The credit agreement includes provisions for reporting and financial covenants. Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. are not in compliance with these covenants as of December 31, 2009.

NOTE F - NOTES PAYABLE - RELATED PARTIES

Notes payable - related parties are due to three of the Company's stockholders and consist of the following:

	<u>2009</u>	<u>2008</u>
Notes Payable-Senior Lender (secured by substantially all assets of the Company)		
Senior Lender Revolver notes payable, bearing interest at prime (prime rate was 3.25% at December 31, 2009 and 2008) plus 7.25%, original due date of December 31, 2006 and effectively due on demand, monthly interest payments at the prime rate were made in 2009 and 2008 with the remaining interest due upon demand; interest on advances received in 2009 of \$1,630 were payable at the full interest rate each month.	\$ 6,048	\$ 4,418
Term note A, bearing interest at prime (prime rate was 3.25% at December 31, 2009 and 2008) plus a 9.0% margin and 2% default rate, original due date of May 9, 2008 and effectively due on demand.	9,579	9,579
Term note B, bearing interest at 11.0% plus 3% default rate, original due date of May 9, 2008 and effectively due on demand.	5,102	5,102
Term note C, bearing interest at prime (prime rate was 3.25% at December 31, 2009 and 2008) plus 6.25% and effectively due on demand.	3,032	3,032
Term note D, bearing interest at 25.0% and effectively due on demand.	1,500	1,500
Term note E, bearing interest at 25.0% and effectively due on demand.	2,000	2,000

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE F - NOTES PAYABLE - RELATED PARTIES (Continued)

	<u>2009</u>	<u>2008</u>
Promissory note payable bearing interest at 8%, original due date of June 1, 2005 and effectively due on demand, unsecured and subordinated to the Senior Lender.	869	869
Promissory note payable, bearing interest at 5%, original due date of June 1, 2005 and effectively due on demand, unsecured and subordinated to the Senior Lender.	1,166	1,166
	<u>\$ 29,296</u>	<u>\$ 27,666</u>

The loan agreements for the Notes Payable-Senior Lender provide for certain reporting and performance covenants. The Company was not in compliance with certain covenants for which the Company obtained a waiver through January 31, 2011.

Interest expense on these notes for the years ended December 31, 2009 and 2008 is \$7,484 and \$6,747 and accrued interest on these notes totaled \$26,271 and \$19,079 at December 31, 2009 and 2008, respectively.

NOTE G - INCOME TAXES

The Company is delinquent in filing its Federal and various states' income tax returns since 2006 and is currently in the process of preparing these delinquent income tax returns. The Company expects to owe nominal penalties and interest when these returns are filed.

The Company has recorded a provision for the years ended December 31, 2009 and 2008 of \$8 and \$5, respectively, that primarily represent the minimum state income taxes.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE G – INCOME TAXES (Continued)

Federal and state deferred tax assets and liabilities are comprised of the following at December 31:

	<u>2009</u>	<u>2008</u>
Deferred tax assets:		
Goodwill	\$ 852	\$ 951
Accrued commissions	100	61
Reserve for bad debt	238	183
Inventory reserve	897	771
Accrued vacation	246	216
Settlement reserve	417	505
Legal fees reserve	150	160
Other accrued liabilities	138	275
Other	144	64
Net operating loss carryforward	29,418	27,877
Total deferred tax assets	32,600	31,063
Valuation allowance	(32,600)	(31,063)
Net deferred tax assets	\$ –	\$ –

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. Valuation allowances are reassessed whenever there are changes in circumstances that may cause a change in judgment. As of December 31, 2009 and 2008, management believed it was more likely than not the entire deferred tax asset will not be realized. The valuation allowance increased by \$1,537 and \$2,177 during the years ended December 31, 2009 and 2008, respectively.

At December 31, 2009, the Company has approximately \$81,200 of Federal and \$31,400 of state net operating loss ("NOL") carryforwards. Federal losses begin to expire during 2030 and state losses begin to expire during 2020. Realization of the NOL carryforwards is dependent upon generating sufficient taxable income prior to the expiration of the loss carryforwards. A portion of these net operating losses from the U.S. operations may also be subject to limitation in future years under Section 382 of the Internal Revenue Code. A determination as to this limitation, if any, will be made at a future date as the net operating losses are utilized, if available.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE H – CONTINGENT LIABILITIES

In the ordinary course of conducting its business, the Company becomes involved in various lawsuits and administrative proceedings. Some of these proceedings may result in fines, penalties, or judgments being assessed against the Company which, from time to time, may have an impact on earnings for a particular period. The Company has been a party to several lawsuits some of which have settled over the previous years. As of December 31, 2009, the Company was aware of three remaining lawsuits: (1) the first one the Company continues to defend and is able to reasonably estimate its costs; (2) the second one the Company had settled in 2010 for \$22; and (3) the third one was filed in 2010 for which legal counsel is unable to predict the outcome. It is the Company's policy to record liabilities for estimated legal fees and settlements in the period it determines that such amounts can be reasonably estimated. At December 31, 2009 and 2008, the Company has a liability of \$1,038 and \$1,253, respectively, related to such costs, which is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

During 2009 and 2008, the Company was undergoing a sales tax audit by the State of California for the years 2005 through 2009. On October 4, 2010, the State of California sales tax audit was completed resulting in a final tax liability of \$604. The Company is also currently undergoing a retail sales tax audit by the Ontario Ministry of Finance for the periods from May 21, 2004 to February 28, 2007. The Company had recorded a reserve of \$800 and \$500 as of December 31, 2009 and 2008, respectively, which as of December 31, 2009 includes an estimate of the projected outcome of the Ontario Ministry of Finance's retail sales tax audit. The reserve is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

NOTE I – RETIREMENT PLAN

For United States employees, the Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees the ability to defer a portion of their annual compensation up to the annual maximum amount allowable by law. The plan also allows for the Company to make discretionary contributions. The Company made no contributions to the plan during the years ended December 31, 2009 and 2008.

NOTE J – COMMITMENTS

Operating Leases

The Company leases its California, Florida and Canada facilities under non-cancelable operating leases. During the years ended December 31, 2009 and 2008, monthly payments for these facilities totaled approximately \$95 and \$90, respectively. The monthly payments increase at specified rates each year. These leases expire at various dates through February 2014. Under the terms of these leases, the Company is required to pay all utilities, real estate taxes, and insurance costs associated with the properties. The Company leases its Illinois and Maryland facilities under month-to-month lease agreements.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE J – COMMITMENTS (Continued)

The Company leases certain equipment under several non-cancelable operating leases with aggregate monthly payments of approximately \$13 and \$17 in the years ended December 31, 2009 and 2008, respectively. These leases expire at various dates through June 2014.

Rent expense under these leases for the years ended December 31, 2009 and 2008 totaled \$1,332 and \$996, respectively.

The following is a schedule of future minimum lease payments:

Year ending December 31,	
2010	\$ 1,113
2011	515
2012	314
2013	272
2014	46
	<hr/>
	\$ 2,260

Letters of Credit

The Company has a \$1,500 irrevocable letter of credit facility with a bank that is used to secure borrowings on the line of credit facility (see Note E). This letter of credit is secured by a \$1,500 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheets, and expires on July 15, 2010.

The Company has a \$300 standby letter of credit facility with a bank that is used to secure accounts payable to one of the Company's vendors. This letter of credit is secured by a \$300 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheets, and expires on September 29, 2010.

The Company has a \$431 standby letter of credit facility with a bank that is used to secure accounts payable to one of the Company's vendors. This letter of credit is secured by a \$431 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheets, and expires on September 29, 2010.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE K – CONCENTRATIONS OF RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash, restricted cash and accounts receivable.

The Company maintains its cash balances in financial institutions located in the United States and Canada. The Company's cash balances located in the United States are insured by the Federal Deposit Insurance Corporation and cash balances located in Canada have no insurance coverage. At December 31, 2009 and 2008, the Company's uninsured cash balances totaled \$668 and \$295, respectively, and uninsured restricted cash balances totaled \$2,277 and \$1,842, respectively.

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, their dispersion across different geographic areas, and generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers while maintaining allowances for potential credit losses. On a periodic basis, the Company evaluates its trade accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations.

During the years ended December 31, 2009 and 2008, three customers comprised 48% of total revenues and two customers comprised 45% of total revenues, respectively. At December 31, 2009 and 2008, three customers comprised 49% of accounts receivable and two customers comprised 38% of accounts receivable, respectively.

Revenues from the Canadian operation represent approximately 31% of the total company revenues.

NOTE L – PREFERRED AND COMMON STOCK

Series A Preferred Stock

Holders of Series A Preferred Stock are entitled to elect 2 Directors to the Board of Directors. Upon liquidation, dissolution or winding-up of the Company, holders of Series A Preferred Stock are entitled to be paid out before holders of Common Stock at \$10.00 per share. Dividends are payable when declared by the Board of Directors.

Common Stock

The Company issued 3 classes of Common Stock:

- Class A – entitled to elect 5 Directors to the Board of Directors
- Class B – entitled to elect 1 Director to the Board of Directors
- Class C – entitled to elect 1 Director to the Board of Directors, pending approval of the majority of the other members of the Board of Directors

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2009 and 2008
(In thousands)

NOTE L - PREFERRED AND COMMON STOCK (Continued)

Upon liquidation, dissolution or winding-up of the Company, and after holders of Series A Preferred Stock have been paid out, any remaining assets will be paid out to holders of Class A, B, and C Common Stock on a pro-rata basis. The 2005 reorganization and merger agreement further provides that the aggregate amount of pay-out to holders of Class A and B Common Stock shall be paid based on a specific allocation schedule.

December 31, 2010
Year-End Financial Statements

**Hartford Computer Group, Inc.
and Subsidiaries**

Report on Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

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Report of Independent Public Accountants

To the Stockholders and Board of Directors
Hartford Computer Group, Inc.

We have audited the accompanying consolidated balance sheets of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hartford Computer Group, Inc. and Subsidiaries as of December 31, 2010 and 2009, and their results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B to the consolidated financial statements, the Company has had recurring losses, deficit equity and negative working capital, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding this matter are also described in Note B. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

J.H. Cohn LLP

Los Angeles, California
July 26, 2011

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2010 and 2009
(In thousands, except share data)

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash	\$ 2,912	\$ 2,350
Restricted cash	2,271	2,231
Accounts receivable, net	12,641	6,948
Inventories	6,695	4,922
Prepaid expenses and other current assets	<u>1,035</u>	<u>763</u>
Total current assets	25,554	17,214
PROPERTY AND EQUIPMENT, net	384	424
OTHER ASSETS	<u>404</u>	<u>252</u>
	<u><u>\$ 26,342</u></u>	<u><u>\$ 17,890</u></u>

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2010 and 2009

(In thousands, except share data)

LIABILITIES AND STOCKHOLDERS' DEFICIT

	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Line of credit	\$ 1,150	\$ 543
Accounts payable	5,793	3,964
Accrued expenses and other liabilities	5,395	5,239
Income taxes payable	420	-
Deferred revenues	249	-
Accrued interest - related parties	34,744	26,271
Notes payable - related parties	31,896	29,296
	<hr/>	<hr/>
Total current liabilities	79,647	65,313
DEFERRED RENTS	137	207
	<hr/>	<hr/>
Total liabilities	79,784	65,520
	<hr/>	<hr/>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Series A preferred stock, \$0.001 par value:		
Authorized - 1,000,000 shares		
Issued and outstanding - 598,000 shares		
Liquidation preference of \$5,980,000	1	1
Common stock, \$0.001 par value:		
Class A - Authorized 10,000,000 shares,		
Issued and outstanding 4,800,000 shares		
Class B - Authorized 10,000,000 shares,		
Issued and outstanding 4,800,000 shares		
Class C - Authorized 5,000,000 shares,		
Issued and outstanding 1,390,636 shares	11	11
Additional paid-in capital	48,809	48,809
Accumulated deficit	(102,026)	(95,858)
Accumulated other comprehensive loss - foreign currency translation	(237)	(593)
	<hr/>	<hr/>
	(53,442)	(47,630)
	<hr/>	<hr/>
	\$ 26,342	\$ 17,890
	<hr/>	<hr/>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2010 and 2009

(In thousands)

	<u>2010</u>	<u>2009</u>
Revenues	\$ 94,998	\$ 74,796
Cost of revenues	<u>68,476</u>	<u>52,041</u>
Gross profit	26,522	22,755
Operating expenses	<u>23,362</u>	<u>19,563</u>
Income from operations	<u>3,160</u>	<u>3,192</u>
Other income (expense):		
Interest expense	(9,105)	(7,557)
Interest income	26	25
Other income, net	<u>176</u>	<u>328</u>
	<u>(8,903)</u>	<u>(7,204)</u>
Loss before provision for income taxes	(5,743)	(4,012)
Provision for income taxes	<u>(425)</u>	<u>(8)</u>
NET LOSS	<u>\$ (6,168)</u>	<u>\$ (4,020)</u>

See notes to consolidated financial statements

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

For the years ended December 31, 2010 and 2009
(In thousands, except share data)

	Series A preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
	Shares	Amount	Shares	Amount				
Balance, January 1, 2009	598,000	\$ 1	10,990,636	\$ 11	\$ 48,809	\$ (91,838)	\$ (278)	\$ (43,307)
Net loss for 2009								
Foreign currency translation adjustment						(4,020)		(4,020)
Total comprehensive loss							(315)	(315)
Balance, December 31, 2009	598,000	1	10,990,636	11	48,809	(95,858)	(593)	(47,632)
Net loss for 2010								
Foreign currency translation adjustment						(6,168)	356	(5,812)
Total comprehensive loss								
Balance, December 31, 2010	598,000	\$ 1	10,990,636	\$ 11	\$ 48,809	\$ (102,026)	\$ (237)	\$ (53,443)

HARTFORD COMPUTER GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2010 and 2009

(In thousands)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Net loss	\$ (6,168)	\$ (4,020)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	193	191
Bad debt expense	385	124
Changes in operating assets and liabilities:		
Accounts receivable	(5,958)	(1,428)
Inventories	(1,697)	(1,022)
Prepaid expenses and other current assets	(263)	(193)
Other assets	(148)	5
Accounts payable	1,726	1,597
Accrued expenses and other liabilities	102	(1,161)
Income taxes payable	420	-
Deferred revenues	249	(336)
Deferred rents	(72)	18
Accrued interest - related parties	8,473	7,192
Net cash provided by (used in) operating activities	<u>(2,758)</u>	<u>967</u>
Cash flows from investing activities:		
Purchases of property and equipment	(146)	(167)
Restricted cash	(40)	(431)
Net cash used in investing activities	<u>(186)</u>	<u>(598)</u>
Cash flows from financing activities:		
Net (payments) borrowings on line of credit	606	(411)
Borrowings on notes payable - related parties	2,600	1,630
Net cash provided by financing activities	<u>3,206</u>	<u>1,219</u>
Effect of foreign exchange on cash	<u>300</u>	<u>(427)</u>
Net increase in cash	562	1,161
Cash at beginning of year	2,350	1,189
Cash at end of year	<u>\$ 2,912</u>	<u>\$ 2,350</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 632</u>	<u>\$ 365</u>
Cash paid during the year for income taxes	<u>\$ 40</u>	<u>\$ 8</u>

See notes to consolidated financial statements

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009
(In thousands)

NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Hartford Computer Group, Inc. and Subsidiaries (collectively the “Company”) is an electronics repair and installation company engaged in the reselling, whole unit depot repair, onsite services, and part repair/distribution for laptop computers, desktop computers, consumer gaming units, printers, flat screen televisions, and other consumer and commercial electronics. The Company’s customers are located throughout the United States, including Puerto Rico and Guam, and in Canada.

Hartford Computer Group, Inc. (“Hartford”), dba Nexicore Services in the United States and Canada, was incorporated in Illinois in 1978 and was later reorganized as a Delaware corporation under the same name in 2005. Hartford has its headquarters in California, has a branch location in Canada, and sales offices in Illinois and Maryland.

Nexicore Services, LLC was organized in 2002 in Florida and is a wholly-owned subsidiary of Hartford. Nexicore Services, LLC’s facility is located in Florida where it houses the Company’s call center.

Hartford Computer Government, Inc. was incorporated in 2004 in Illinois and is a wholly-owned subsidiary of Hartford. It operates in the State of Maryland where it primarily services governmental entities.

Hartford Computer Hardware, Inc. was incorporated in 2005 in Illinois and is a wholly-owned subsidiary of Hartford. It operates in Illinois where it services a contract with a major retailer.

Principles of Consolidation

The consolidated financial statements include the accounts of Hartford, Hartford Computer Government, Inc., Hartford Computer Hardware, Inc., and Nexicore Services, LLC. All material intercompany balances and transactions have been eliminated in consolidation.

Foreign Currency Translation

The financial statements of Nexicore Services in the Company’s Canada division are translated into United States dollars, using current and historical exchange rates, as appropriate. The functional currency is the Canadian dollar and, accordingly, foreign currency translation adjustments should be included as a component of accumulated other comprehensive loss in the consolidated statements of stockholders’ deficit. Translation gains (losses) for the years ended December 31, 2010 and 2009 were \$356 and (\$315), respectively. Any losses resulting from foreign currency transactions are reflected in the consolidated statements of operations for the period in which they occur. Transaction gains for the years ended December 31, 2010 and 2009 totaled \$83 and \$221, respectively, and are included in other income, net in the accompanying consolidated statements of operations.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009
(In thousands)

**NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Restricted Cash

The Company's restricted cash as of December 31, 2010 and 2009 of \$2,271 and \$2,231, respectively, is used to secure the letters of credit that the Company has with a bank (see Note J).

Inventories

Inventories are comprised primarily of finished goods and are stated at the lower of cost (moving weighted average) or market.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the remaining lease term.

Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Revenue Recognition

Service revenues – The Company recognizes service revenues upon completion of the service event. Service revenues for the years ended December 31, 2010 and 2009 were approximately \$84,600 and \$63,800, respectively.

Hardware revenues - The Company recognizes revenues from the sales of packaged hardware and software when title and risk of loss transfers to the customer, which is generally upon shipment. Hardware revenues for the years ended December 31, 2010 and 2009 were approximately \$10,400 and \$11,000, respectively.

All revenues are recorded net of sales taxes.

The Company recorded deferred revenues of \$249 at December 31, 2010 related to long-term extended warranty and maintenance service contracts. Revenues will be recognized as services are performed over the lives of the contracts.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009
(In thousands)

**NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the asset's carrying amount to the future net cash flows the asset is expected to generate. If an asset is considered to be impaired, the impairment to be recognized is measured by the amount at which the carrying amount of the asset exceeds its fair value. During the years ended December 31, 2010 and 2009, no impairment was recognized.

Shipping Costs

The Company records costs incurred for freight-out in cost of revenues.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$13 and \$57 for the years ended December 31, 2010 and 2009, respectively.

Deferred Rents

The Company's operating leases for its Florida and Canada facilities include scheduled rent increases. The Company has accounted for these leases to provide straight-line charges to operations over the lives of the leases.

Income Taxes

Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for future tax consequences of transactions that have been recognized in the Company's financial statements or tax returns. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009
(In thousands)

**NOTE A – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

The Company has no unrecognized tax benefits at December 31, 2010 and 2009. The Company's U.S. Federal and state income tax returns through the 2005 calendar year are closed. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company recognizes interest and penalties associated with tax matters as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the consolidated balance sheets. Interest and penalties are \$45 and \$0 in 2010 and 2009, respectively.

Subsequent Events

The Company has evaluated subsequent events through July 26, 2011, which is the date the consolidated financial statements were available to be issued.

NOTE B – GOING CONCERN

The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As of December 31, 2010 and 2009, the Company has had recurring losses (resulting primarily from interest expense on notes payable to related parties), deficit equity and negative working capital with a significant portion of its current liabilities related to notes payable to related parties (see Note F). These notes and the related accrued interest are effectively due on demand. The Company has attempted to negotiate the extension of the loans with the Senior Lenders. Through the report date, the Senior Lenders, who are also stockholders of the Company, have not demanded repayment of the principal or unremitted accrued interest. Management does not expect that the Senior Lenders will demand repayment in the foreseeable future. Additionally, in 2010, the Company had negative cash flows from operations and was not in compliance with certain reporting and financial covenants (see Note E).

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2010 and 2009
(In thousands)

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable balances at December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Accounts receivable	\$ 13,244	\$ 7,573
Allowance for doubtful accounts	(310)	(402)
Allowance for returns	(293)	(223)
	<u>\$ 12,641</u>	<u>\$ 6,948</u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2010 and 2009:

	<u>Useful Lives</u>	<u>2010</u>	<u>2009</u>
Computer equipment and software	3 - 5 yrs	\$ 302	\$ 286
Automobiles	3 yrs	27	27
Leasehold improvements	3 - 10 yrs	284	267
Test equipment	1 - 5 yrs	298	243
Furniture and fixtures	5- 7 yrs	<u>361</u>	<u>289</u>
Sub-total		1,272	1,112
Less accumulated depreciation and amortization		<u>(888)</u>	<u>(688)</u>
		<u>\$ 384</u>	<u>\$ 424</u>

Depreciation and amortization expense associated with property and equipment for the years ended December 31, 2010 and 2009 was \$193 and \$191, respectively.

NOTE E – LINE OF CREDIT

Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. have a revolving credit facility with a finance company with a maximum credit limit of \$1,500 for inventory purchases. Invoices of authorized suppliers for inventory purchases made by the Company are paid directly by the finance company. Outstanding advances cannot exceed the lesser of the credit limit or borrowing base. Outstanding advances at December 31, 2010 and 2009 were \$1,150 and \$543, respectively.

Interest accrues when the Company defers payments to the finance company beyond the authorized suppliers' payment terms and is payable monthly at a base rate as determined by the finance company plus a finance rate of 7.65%. At December 31, 2010 and 2009, the prevailing interest rates were 10.9% and 10.9%, respectively. Interest expense for the years ended December 31, 2010 and 2009 was \$28 and \$44, respectively. Annual fees for the credit facility are \$6 for both years.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE E – LINE OF CREDIT (Continued)

Borrowings under the line of credit facility are collateralized by an irrevocable letter of credit of \$1,500 (see Note J).

The credit agreement includes provisions for reporting and financial covenants. Hartford Computer Government, Inc. and Hartford Computer Hardware, Inc. are not in compliance with these covenants as of December 31, 2010.

NOTE F – NOTES PAYABLE - RELATED PARTIES

Notes payable – related parties are due to three of the Company's stockholders and consist of the following:

	<u>2010</u>	<u>2009</u>
Notes Payable-Senior Lender (secured by substantially all assets of the Company)		
Senior Lender Revolver notes payable, bearing interest at prime (prime rate was 3.25% at December 31, 2010 and 2009) plus 7.25%, original due date of December 31, 2006 and effectively due on demand, monthly interest payments at the prime rate were made in 2010 and 2009 with the remaining interest due upon demand. The Company received an advance in December 2010 of \$2,600. Interest on this advance is payable at the full interest rate each month.	\$ 8,648	\$ 6,048
Term note A, bearing interest at prime (prime rate was 3.25% at December 31, 2010 and 2009) plus a 9.0% margin and 2% default rate, original due date of May 9, 2008 and effectively due on demand.	9,579	9,579
Term note B, bearing interest at 11.0% plus 3% default rate, original due date of May 9, 2008 and effectively due on demand.	5,102	5,102
Term note C, bearing interest at prime (prime rate was 3.25% at December 31, 2010 and 2009) plus 6.25% and effectively due on demand.	3,032	3,032
Term note D, bearing interest at 25.0% and effectively due on demand.	1,500	1,500
Term note E, bearing interest at 25.0% and effectively due on demand.	2,000	2,000

Hartford Computer Group, Inc. and Subsidiaries
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NOTE F – NOTES PAYABLE - RELATED PARTIES (Continued)

	<u>2010</u>	<u>2009</u>
Promissory note payable bearing interest at 8%, effectively due on demand, unsecured and subordinated to the Senior Lender.	\$ 869	\$ 869
Promissory note payable, bearing interest at 5%, effectively due on demand, unsecured and subordinated to the Senior Lender.	1,166	1,166
	<u>\$ 31,896</u>	<u>\$ 29,296</u>

The loan agreements for the Notes Payable-Senior Lender provide for certain reporting and performance covenants. The Company was not in compliance with certain covenants for which the Company obtained a waiver through July 31, 2011.

Interest expense on these notes for the years ended December 31, 2010 and 2009 is \$8,912 and \$7,484 and accrued interest on these notes totaled \$34,744 and \$26,271 at December 31, 2010 and 2009, respectively

NOTE G – INCOME TAXES

The components of the provision for income taxes are as follows:

	<u>2010</u>	<u>2009</u>
Current:		
Federal	\$ 117	\$ -
State	288	8
Penalties and interest	20	-
	<u>\$425</u>	<u>\$ 8</u>

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE G – INCOME TAXES (Continued)

Federal and state deferred tax assets and liabilities are comprised of the following at December 31:

	<u>2010</u>	<u>2009</u>
Deferred tax assets:		
Goodwill	\$ 750	\$ 852
Accrued commissions	135	100
Reserve for bad debt	187	238
Inventory reserve	1,262	897
Accrued vacation	309	246
Settlement reserve	452	417
Legal fees reserve	4	150
Accrued interest payable	438	-
Other accrued liabilities	168	138
Other	237	144
Credit carryforward	117	-
Net operating loss carryforward	27,220	29,418
Total deferred tax assets	<u>31,279</u>	<u>32,600</u>
Valuation allowance	(31,279)	(32,600)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. Valuation allowances are reassessed whenever there are changes in circumstances that may cause a change in judgment. As of December 31, 2010 and 2009, management believed it was more likely than not the entire deferred tax asset will not be realized. The valuation allowance decreased by \$1,321 during 2010 and increased by \$1,537 during 2009.

The Company is delinquent in filing its Canadian income tax return for 2009 and is currently in the process of preparing this delinquent return. The Company expects to owe nominal penalties and interest when this return is filed.

At December 31, 2010, the Company has approximately \$53,600 of Federal, \$31,800 of state and \$29,400 of foreign net operating loss ("NOL") carryforwards. Federal losses begin to expire during 2030 and state losses begin to expire during 2020. Realization of the NOL carryforwards is dependent upon generating sufficient taxable income prior to the expiration of the loss carryforwards. A portion of these net operating losses from U.S. operations may also be subject to limitation in future years under Section 382 of the Internal Revenue Code. A determination as to this limitation, if any, will be made at a future date as the NOLs are utilized, if available.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE H – CONTINGENT LIABILITIES

In the ordinary course of conducting its business, the Company becomes involved in various lawsuits and administrative proceedings. Some of these proceedings may result in fines, penalties or judgments being assessed against the Company which, from time to time, may have an impact on earnings for a particular period. The Company has been a party to several lawsuits some of which have settled over the previous years. As of December 31, 2010, the Company was aware of two remaining lawsuits: (1) the first one the Company continues to defend and is able to reasonably estimate its costs; (2) the second one legal counsel is unable to predict the outcome. It is the Company's policy to record liabilities for estimated legal fees and settlements in the period it determines that such amounts can be reasonably estimated. At December 31, 2010 and 2009, the Company has a liability of \$677 and \$1,038, respectively, related to such costs, which is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

During 2009 and 2008, the Company was undergoing a sales tax audit by the State of California for the years 2005 through 2009. On October 4, 2010, the State of California sales tax audit was completed resulting in a final tax liability of \$604. The amount owed was paid in 2010.

The Company was undergoing a retail sales tax audit by the Ontario Ministry of Finance for the period from May 21, 2004 to February 28, 2007 for which a reserve of \$800 was recorded as of December 31, 2009. The audit was settled in April 2011 for \$11 plus interest. As of December 31, 2010, the Company holds a reserve of \$906 for provincial taxes owed to other provinces.

NOTE I – RETIREMENT PLAN

For United States employees, the Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees the ability to defer a portion of their annual compensation up to the annual maximum amount allowable by law. The plan also allows for the Company to make discretionary contributions. The Company made no contributions to the plan during the years ended December 31, 2010 and 2009.

NOTE J – COMMITMENTS

Operating Leases

The Company leases its California, Florida and Canada facilities under non-cancelable operating leases. During the years ended December 31, 2010 and 2009, monthly payments for these facilities totaled approximately \$89 and \$95, respectively. The monthly payments for the Florida and Canada facilities increase at specified rates each year. These leases expire at various dates through February 2014. Under the terms of these leases, the Company is required to pay all utilities, real estate taxes, and insurance costs associated with the properties. The Company leases its Illinois and Maryland facilities under month-to-month lease agreements.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(In thousands)

NOTE J – COMMITMENTS (Continued)

The Company leases certain equipment under several non-cancelable operating leases with aggregate monthly payments of \$14 and \$13 in the years ended December 31, 2010 and 2009, respectively. These leases expire at various dates through 2015.

Rent expense under these leases for the years ended December 31, 2010 and 2009 totaled \$1,439 and \$996, respectively.

The following is a schedule of future minimum lease payments:

Year ending December 31,	
2011	\$ 1,245
2012	328
2013	286
2014	55
2015	8
	<hr/>
	\$ 1,922

Letters of Credit

The Company has a \$1,500 irrevocable letter of credit facility with a bank that is used to secure borrowings on the line of credit facility (see Note E). This letter of credit is secured by a \$1,500 certificate of deposit with the same bank, included in restricted cash in the accompanying consolidated balance sheets, and expires on July 15, 2012.

The Company has a \$771 standby letter of credit facility with a bank that is used to secure accounts payable to one of the Company's vendors. This letter of credit is secured by a \$731 certificate of deposit with the same bank plus a \$40 savings account, included in restricted cash in the accompanying consolidated balance sheets, and expires on September 29, 2011.

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(In thousands)

NOTE K – CONCENTRATIONS OF RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash, restricted cash and accounts receivable.

The Company maintains its cash and restricted cash balances in financial institutions located in the United States and Canada. The Company's cash balances located in the United States are insured by the Federal Deposit Insurance Corporation and cash balances located in Canada have no insurance coverage. At December 31, 2010 and 2009, the Company's uninsured cash balances totaled \$622 and \$668, respectively, and uninsured restricted cash balances totaled \$2,021 and \$1,981, respectively.

Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, their dispersion across different geographic areas, and generally short payment terms. In addition, the Company closely monitors the extension of credit to its customers while maintaining allowances for potential credit losses. On a periodic basis, the Company evaluates its trade accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations.

During the years ended December 31, 2010 and 2009, three customers comprised 51% and 48% of total revenues, respectively. At December 31, 2010 and 2009, two customers comprised 53% of accounts receivable and three customers comprised 49% of accounts receivable, respectively.

Revenues from the Canadian operation represent approximately 28% of the total Company's revenues.

NOTE L – PREFERRED AND COMMON STOCK

Series A Preferred Stock

Holders of Series A Preferred Stock are entitled to elect 2 Directors to the Board of Directors. Upon liquidation, dissolution or winding-up of the Company, holders of Series A Preferred Stock are entitled to be paid out before holders of Common Stock at \$10.00 per share. Dividends are payable when declared by the Board of Directors.

Common Stock

The Company issued 3 classes of Common Stock:

- Class A – entitled to elect 5 Directors to the Board of Directors
- Class B – entitled to elect 1 Director to the Board of Directors
- Class C – entitled to elect 1 Director to the Board of Directors, pending approval of the majority of the other members of the Board of Directors

Hartford Computer Group, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE L – PREFERRED AND COMMON STOCK (Continued)

Upon liquidation, dissolution or winding-up of the Company, and after holders of Series A Preferred Stock have been paid out, any remaining assets will be paid out to holders of Class A, B, and C Common Stock on a pro-rata basis. The 2005 reorganization and merger agreement further provides that the aggregate amount of pay-out to holders of Class A and B Common Stock shall be paid based on a specific allocation schedule.

September 30, 2011
Interim Financial Statements

Nexicore
Consolidated Balance Sheet

Consolidated Balance Sheet									
	Fiscal Year Ending December 31, 2011								
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sept-11
ASSETS									
Current Assets									
Cash	1,345,409	1,949,970	2,291,334	1,548,800	2,563,268	2,678,748	3,434,527	5,036,621	3,567,713
Restricted Cash	2,271,127	2,271,138	2,271,150	2,271,161	2,271,172	2,271,181	2,271,186	2,271,193	2,271,200
Accounts Receivable, net	14,733,776	13,301,545	11,533,141	12,736,100	11,841,249	12,848,350	12,224,042	12,106,773	11,360,880
Inventory	7,122,341	7,612,603	7,872,717	7,842,257	7,871,645	7,598,921	7,487,233	7,676,168	7,519,878
Prepaid Expenses and Other	1,178,583	888,099	1,619,492	1,003,167	751,989	982,598	1,023,209	1,259,759	1,113,604
Total Current Assets	26,651,236	26,023,355	25,587,834	25,401,485	25,299,323	26,379,798	26,440,197	28,350,514	25,833,275
Property and Equipment, net	496,887	485,940	475,214	469,441	459,766	463,518	452,949	443,740	438,812
Other Assets	399,761	395,464	406,666	402,369	401,571	397,273	392,976	381,302	377,005
Total Assets	27,547,884	26,904,759	26,469,714	26,273,295	26,160,660	27,240,589	27,286,122	29,175,556	26,649,092
LIABILITIES & EQUITY									
Current Liabilities									
Hardware Line of Credit	584,611	663,089	1,087,977	900,805	1,030,545	1,117,882	984,603	1,363,451	921,534
Accounts Payable	6,202,901	5,470,771	4,531,392	5,035,562	4,429,660	3,589,318	3,881,936	4,191,353	3,488,219
Accrued Expenses and Other Liabilities (1)	6,559,227	6,358,058	5,893,777	5,068,200	4,871,605	6,301,027	5,838,457	6,549,394	5,228,666
Deferred Revenues	180,832	181,074	301,261	295,884	348,375	412,750	431,188	399,109	332,162
Total Current Liabilities	13,527,571	12,672,992	11,814,407	11,300,451	10,680,185	11,420,977	11,136,184	12,503,307	9,970,581
Accrued Interest	35,523,416	36,304,633	37,097,314	37,901,227	38,719,820	39,547,107	40,385,814	41,236,496	42,097,411
Notes Payable - Related Parties	31,796,078	31,796,078	31,796,078	31,796,078	32,211,078	32,211,078	32,211,078	32,211,078	31,796,078
Deferred Rents	131,764	126,961	120,988	115,879	110,769	105,660	99,789	93,917	88,046
Total Liabilities	80,978,829	80,900,664	80,828,787	81,113,635	81,721,852	83,284,822	83,832,865	86,044,798	83,952,116
Stockholders' Equity									
Preferred Stock	598	598	598	598	598	598	598	598	598
Common Stock	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600
Additional paid-in capital	48,810,178	48,810,178	48,810,178	48,810,178	48,810,178	48,810,178	48,810,178	48,810,178	48,810,178
Accumulated Deficit	(102,016,419)	(102,581,379)	(102,944,547)	(103,425,814)	(104,146,666)	(104,629,707)	(105,132,217)	(105,454,716)	(105,888,498)
Foreign Currency Translation	(235,902)	(235,902)	(235,902)	(235,902)	(235,902)	(235,902)	(235,902)	(235,902)	(235,902)
Total Equity	(53,430,945)	(53,995,905)	(54,359,073)	(54,840,340)	(55,561,192)	(56,044,233)	(56,546,743)	(56,869,242)	(57,303,024)
Total Liabilities & Equity	27,547,884	26,904,759	26,469,714	26,273,295	26,160,660	27,240,589	27,286,122	29,175,556	26,649,092

(1) Accrued Expenses and Other Liabilities includes the following accrued taxes as of 9/30/2011: accrued sales, use, provincial, and income taxes of \$1.475 million.

Memo Items:

Selected Current Assets:

Accounts Receivable, net	14,733,776	13,301,545	11,533,141	12,736,100	11,841,249	12,848,350	12,224,042	12,106,773	11,360,880
Inventory	7,122,341	7,612,603	7,872,717	7,842,257	7,871,645	7,598,921	7,487,233	7,676,168	7,519,878
Prepaid Expenses and Other	1,178,583	888,099	1,619,492	1,003,167	751,989	982,598	1,023,209	1,259,759	1,113,604
Total	23,034,700	21,802,247	21,025,350	21,581,524	20,464,883	21,429,869	20,734,484	21,042,700	19,994,362

Selected Current Liabilities:

Accounts Payable	6,202,901	5,470,771	4,531,392	5,035,562	4,429,660	3,589,318	3,881,936	4,191,353	3,488,219
Accrued Expenses and Other Liabilities excluding accrued taxes	4,730,812	4,518,551	4,378,020	3,614,954	3,377,449	4,781,235	4,324,886	5,048,032	3,753,316
Deferred Revenues	180,832	181,074	301,261	295,884	348,375	412,750	431,188	399,109	332,162
Total	11,114,545	10,170,396	9,210,673	8,946,400	8,155,484	8,783,303	8,638,010	9,638,494	7,573,697

Working Capital as defined	11,920,155	11,631,851	11,814,677	12,635,124	12,309,399	12,646,566	12,096,474	11,404,206	12,420,665
Accrued Taxes	1,828,415	1,839,507	1,515,757	1,453,246	1,494,156	1,519,792	1,513,571	1,501,362	1,475,350

Nexicore
Summary Income Statement

Excluding Hardware													2009 ACTUALS BY MONTH (1)
Fiscal Year Ending December 31, 2009													
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09	FY2009A
Revenues	\$5,531,535	\$5,173,069	\$5,611,033	\$4,476,916	\$5,268,424	\$5,612,969	\$4,923,752	\$5,222,926	\$5,331,017	\$5,712,288	\$5,476,734	\$5,430,019	\$63,770,682
<i>% Change</i>													
Cost of Revenues													
Labor	942,682	758,130	724,297	646,396	639,931	619,252	654,974	640,275	695,979	735,809	760,966	880,905	8,699,596
Materials	2,159,692	1,902,925	1,938,348	1,763,513	2,251,078	2,434,097	1,887,334	2,004,634	2,073,413	2,303,043	2,842,890	2,466,279	26,027,246
Freight	558,620	481,756	426,119	389,923	362,701	349,751	414,305	434,990	468,549	498,849	495,979	483,213	5,364,755
Other	285,530	236,837	254,906	212,440	193,003	260,648	251,047	199,203	270,421	230,567	(14,966)	125,005	2,504,641
Total Cost of Revenues	\$3,946,524	\$3,379,648	\$3,343,670	\$3,012,272	\$3,446,713	\$3,663,748	\$3,207,660	\$3,279,102	\$3,508,362	\$3,768,268	\$4,084,869	\$3,955,402	\$42,596,238
<i>% Revenues</i>	<i>71.3%</i>	<i>65.3%</i>	<i>59.6%</i>	<i>67.3%</i>	<i>65.4%</i>	<i>65.3%</i>	<i>65.1%</i>	<i>62.8%</i>	<i>65.8%</i>	<i>66.0%</i>	<i>74.6%</i>	<i>72.8%</i>	<i>66.8%</i>
Gross Profit	\$1,585,011	\$1,793,421	\$2,267,363	\$1,464,644	\$1,821,711	\$1,949,221	\$1,716,092	\$1,943,824	\$1,822,655	\$1,944,020	\$1,391,865	\$1,474,617	\$21,174,444
<i>% Margin</i>	<i>28.7%</i>	<i>34.7%</i>	<i>40.4%</i>	<i>32.7%</i>	<i>34.6%</i>	<i>34.7%</i>	<i>34.9%</i>	<i>37.2%</i>	<i>34.2%</i>	<i>34.0%</i>	<i>25.4%</i>	<i>27.2%</i>	<i>33.2%</i>
SG&A													
Salaries	1,069,033	1,023,941	1,036,277	1,015,125	1,021,136	994,905	1,046,316	1,047,686	1,019,537	1,149,708	1,071,287	1,122,197	12,617,148
Contract Labor	34,758	31,215	34,859	34,185	36,991	41,026	44,097	34,532	38,561	35,639	40,464	37,609	443,936
Rent	117,500	109,657	124,285	118,013	118,362	124,103	121,370	123,926	127,345	125,204	129,888	169,939	1,509,592
Other	336,248	344,925	275,927	312,072	304,543	272,188	319,621	309,898	286,277	305,284	377,921	517,075	3,961,979
Total SG&A	\$1,557,539	\$1,509,738	\$1,471,348	\$1,479,395	\$1,481,032	\$1,432,222	\$1,531,404	\$1,516,042	\$1,471,720	\$1,615,835	\$1,619,560	\$1,846,820	\$18,532,655
<i>% Revenues</i>	<i>28.2%</i>	<i>29.2%</i>	<i>26.2%</i>	<i>33.0%</i>	<i>28.1%</i>	<i>25.5%</i>	<i>31.1%</i>	<i>29.0%</i>	<i>27.6%</i>	<i>28.3%</i>	<i>29.6%</i>	<i>34.0%</i>	<i>29.1%</i>
D&A	15,645	16,985	15,480	15,227	16,688	15,421	15,456	16,653	15,388	15,624	17,273	15,609	191,449
EBIT	\$11,827	\$266,698	\$780,535	(\$29,978)	\$323,991	\$501,578	\$169,232	\$411,129	\$335,547	\$312,561	(\$244,968)	(\$387,812)	\$2,450,340
<i>% Margin</i>	<i>0.2%</i>	<i>5.2%</i>	<i>13.9%</i>	<i>(0.7%)</i>	<i>6.1%</i>	<i>8.9%</i>	<i>3.4%</i>	<i>7.9%</i>	<i>6.3%</i>	<i>5.5%</i>	<i>(4.5%)</i>	<i>(7.1%)</i>	<i>3.8%</i>
Addbacks of Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-	213,329
Adjusted EBIT	\$11,827	\$266,698	\$780,535	(\$29,978)	\$323,991	\$501,578	\$169,232	\$411,129	\$335,547	\$312,561	(\$244,968)	(\$387,812)	\$2,663,669
<i>% Margin</i>	<i>0.2%</i>	<i>5.2%</i>	<i>13.9%</i>	<i>(0.7%)</i>	<i>6.1%</i>	<i>8.9%</i>	<i>3.4%</i>	<i>7.9%</i>	<i>6.3%</i>	<i>5.5%</i>	<i>(4.5%)</i>	<i>(7.1%)</i>	<i>4.2%</i>

Footnote

(1) Please refer to separate schedule featuring detail relating to addbacks.

Nexicore
Summary Income Statement

2010 ACTUALS BY MONTH (1) (2) (3)													
Excluding Hardware	Fiscal Year Ending December 31, 2010												
	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sept-10	Oct-10	Nov-10	Dec-10	FY2010A
Revenues	\$6,495,902	\$6,364,110	\$7,132,687	\$6,620,674	\$6,603,658	\$6,592,273	\$7,102,689	\$7,488,255	\$7,037,514	\$8,082,429	\$8,030,029	\$7,057,740	\$84,607,960
<i>% Change</i>	17.4%	23.0%	27.1%	47.9%	25.3%	17.4%	44.3%	43.4%	32.0%	41.5%	46.6%	30.0%	32.7%
Cost of Revenues													
Labor	978,196	827,538	926,299	767,450	867,410	822,057	894,493	950,136	944,031	914,473	909,258	892,762	10,694,103
Materials	3,643,208	2,714,227	3,031,076	2,726,010	2,600,440	2,770,819	3,060,261	3,257,119	3,100,427	4,672,760	3,736,091	3,044,559	38,356,997
Freight	506,831	531,779	637,501	542,160	553,367	517,152	477,237	557,680	481,088	534,148	494,276	514,666	6,347,885
Other	108,003	351,383	290,618	372,925	327,291	394,304	351,135	389,102	406,321	(209,496)	339,101	418,507	3,539,194
Total Cost of Revenues	\$5,236,238	\$4,424,927	\$4,885,494	\$4,408,545	\$4,348,508	\$4,504,332	\$4,783,126	\$5,154,037	\$4,931,867	\$5,911,885	\$5,478,726	\$4,870,494	\$58,938,179
<i>% Revenues</i>	80.6%	69.5%	68.5%	66.6%	65.8%	68.3%	67.3%	68.8%	70.1%	73.1%	68.2%	69.0%	69.7%
Gross Profit	\$1,259,664	\$1,939,183	\$2,247,193	\$2,212,129	\$2,255,150	\$2,087,941	\$2,319,563	\$2,334,218	\$2,105,647	\$2,170,544	\$2,551,303	\$2,187,246	\$25,669,781
<i>% Margin</i>	19.4%	30.5%	31.5%	33.4%	34.2%	31.7%	32.7%	31.2%	29.9%	26.9%	31.8%	31.0%	30.3%
SG&A													
Salaries	1,140,049	1,104,565	1,142,607	1,152,595	1,200,535	1,099,473	1,125,234	1,168,376	1,164,829	1,241,652	1,208,524	1,252,941	14,001,380
Contract Labor	53,941	52,472	74,289	87,440	63,504	75,230	94,321	91,318	116,150	146,946	159,786	184,769	1,200,166
Rent	118,460	117,033	117,071	122,071	118,703	118,252	116,871	117,748	117,267	119,830	120,132	110,427	1,413,865
Other	281,638	341,079	328,021	370,568	339,916	379,264	476,295	408,164	431,633	525,930	391,778	374,464	4,648,750
Total SG&A	\$1,594,088	\$1,615,149	\$1,661,988	\$1,732,674	\$1,722,658	\$1,672,219	\$1,812,721	\$1,785,606	\$1,829,879	\$2,034,358	\$1,880,220	\$1,922,601	\$21,264,161
<i>% Revenues</i>	24.5%	25.4%	23.3%	26.2%	26.1%	25.4%	25.5%	23.8%	26.0%	25.2%	23.4%	27.2%	25.1%
D&A	16,566	16,347	16,885	16,990	18,642	17,214	15,982	16,305	14,985	14,907	15,088	13,355	193,266
EBIT	(\$350,990)	\$307,687	\$568,320	\$462,465	\$513,850	\$398,508	\$490,860	\$532,307	\$260,783	\$121,279	\$655,995	\$251,290	\$4,212,354
<i>% Margin</i>	(5.4%)	4.8%	8.0%	7.0%	7.8%	6.0%	6.9%	7.1%	3.7%	1.5%	8.2%	3.6%	5.0%
Addbacks of Extraordinary Items	4,980	7,878	66,815	27,848	34,813	33,233	112,228	50,759	35,842	142,488	82,079	389,273	988,237
Adjusted EBIT	(\$346,010)	\$315,565	\$635,135	\$490,313	\$548,663	\$431,741	\$603,088	\$583,066	\$296,625	\$263,767	\$738,074	\$640,563	\$5,200,591
<i>% Margin</i>	(5.3%)	5.0%	8.9%	7.4%	8.3%	6.5%	8.5%	7.8%	4.2%	3.3%	9.2%	9.1%	6.1%

Footnotes

(1) The data above excludes one-time expenses relating to the contemplated transaction totaling \$1.010 million in fiscal year 2010, comprised of the following:

One-time management compensation expense in connection with the contemplated transaction	875,000
Investment banking fees and expenses	134,853
Total	1,009,853

(2) In 2010, the Company wrote off \$0.455 million of A/R in connection with the sudden shutdown of customer Partsearch. In 2011, the Company recovered \$0.252 million of the Partsearch A/R that had been written off. The amount recovered is reflected in fiscal year 2010 EBIT and the remaining \$0.203 million has been classified as an addback as further detailed in the addbacks schedule. Nexicore believes that this represented a non-recurring expense relating to a one-time anomaly, since nearly 100% of the Company's A/R due from Partsearch was current at the time of its shutdown, and because Nexicore's normal annual A/R write-offs have historically been far smaller.

(3) Please refer to separate schedule featuring detail relating to addbacks.

Nexicore
Summary Income Statement

2011 ACTUALS BY MONTH (1) (2)										
Excluding Hardware	Fiscal Year Ending December 31, 2011									
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sept-11	FY2011 YTD
Revenues	\$9,124,654	\$6,885,114	\$7,683,192	\$6,799,709	\$6,458,828	\$7,069,731	\$6,856,910	\$7,838,324	\$7,303,295	\$66,019,757
<i>% Change</i>	<i>40.5%</i>	<i>8.2%</i>	<i>7.7%</i>	<i>2.7%</i>	<i>(2.2%)</i>	<i>7.2%</i>	<i>(3.5%)</i>	<i>4.7%</i>	<i>3.8%</i>	
Cost of Revenues										
Labor	984,154	916,246	939,226	878,517	861,865	831,039	783,002	851,333	755,322	7,800,704
Materials	4,135,599	2,984,844	3,450,410	2,990,033	2,817,244	3,210,372	3,087,690	3,820,260	3,373,429	29,869,881
Freight	587,158	476,699	616,263	537,937	523,375	569,711	501,092	564,108	507,170	4,883,513
Other	389,677	326,764	315,460	326,944	279,651	247,154	263,905	211,099	222,119	2,582,773
Total Cost of Revenues	\$6,096,588	\$4,704,553	\$5,321,359	\$4,733,431	\$4,482,135	\$4,858,276	\$4,635,689	\$5,446,800	\$4,858,040	\$45,136,871
<i>% Revenues</i>	<i>66.8%</i>	<i>68.3%</i>	<i>69.3%</i>	<i>69.6%</i>	<i>69.4%</i>	<i>68.7%</i>	<i>67.6%</i>	<i>69.5%</i>	<i>66.5%</i>	<i>68.4%</i>
Gross Profit	\$3,028,066	\$2,180,561	\$2,361,833	\$2,066,278	\$1,976,693	\$2,211,455	\$2,221,221	\$2,391,524	\$2,445,255	\$20,882,886
<i>% Margin</i>	<i>33.2%</i>	<i>31.7%</i>	<i>30.7%</i>	<i>30.4%</i>	<i>30.6%</i>	<i>31.3%</i>	<i>32.4%</i>	<i>30.5%</i>	<i>33.5%</i>	<i>31.6%</i>
SG&A										
Salaries	1,313,149	1,164,950	1,218,666	1,252,057	1,288,711	1,292,388	1,236,616	1,253,444	1,218,478	11,238,459
Contract Labor	191,882	153,295	130,181	126,488	99,915	122,743	126,237	145,090	107,608	1,203,439
Rent	121,493	121,197	121,032	114,520	120,706	114,839	117,787	118,104	118,050	1,067,728
Other	386,428	379,400	448,109	333,754	412,424	435,010	345,306	385,834	365,822	3,492,087
Total SG&A	\$2,012,952	\$1,818,842	\$1,917,988	\$1,826,819	\$1,921,756	\$1,964,980	\$1,825,946	\$1,902,472	\$1,809,958	\$17,001,713
<i>% Revenues</i>	<i>22.1%</i>	<i>26.4%</i>	<i>25.0%</i>	<i>26.9%</i>	<i>29.8%</i>	<i>27.8%</i>	<i>26.6%</i>	<i>24.3%</i>	<i>24.8%</i>	<i>25.8%</i>
D&A	14,281	16,459	15,131	15,103	14,735	15,270	14,576	14,633	14,682	134,870
EBIT	\$1,000,833	\$345,260	\$428,714	\$224,356	\$40,202	\$231,205	\$380,699	\$474,419	\$620,615	\$3,746,303
<i>% Margin</i>	<i>11.0%</i>	<i>5.0%</i>	<i>5.6%</i>	<i>3.3%</i>	<i>0.6%</i>	<i>3.3%</i>	<i>5.6%</i>	<i>6.1%</i>	<i>8.5%</i>	<i>5.7%</i>
Addbacks of Extraordinary Items	38,028	20,448	72,340	43,060	68,925	112,948	15,921	42,269	27,089	441,029
Adjusted EBIT	\$1,038,861	\$365,708	\$501,054	\$267,416	\$109,127	\$344,153	\$396,620	\$516,688	\$647,704	\$4,187,331
<i>% Margin</i>	<i>11.4%</i>	<i>5.3%</i>	<i>6.5%</i>	<i>3.9%</i>	<i>1.7%</i>	<i>4.9%</i>	<i>5.8%</i>	<i>6.6%</i>	<i>8.9%</i>	<i>6.3%</i>

Footnotes

- (1) The data above excludes investment banking fees and expenses totaling \$202k during the first 9 months of fiscal year 2011.
(2) Please refer to separate schedule featuring detail relating to addbacks.

Schedule 4.7

Absence of Certain Changes or Events

(a)

1. In September, 2011, Nexicore was notified of the termination of its laptop repair business with Best Buy Canada.

(b)

1. On November 22, 2011, Parent sold those assets identified on Schedule 2.2(o).

(c)

1. Parent normally requests incremental funding from its primary secured lender due to seasonal peaks in volume for the hardware business. On May 4, 2011, Parent received a loan in the amount of \$415,000 from Delaware Street Capital. The aforementioned loan was repaid on September 14, 2011.
2. As previously discussed with Avnet IT staff, in addition to payments due for a valid license on its SAP system, Nexicore has also been in discussions with other software providers to update a number of licenses (Microsoft, Symantec, etc.). Nexicore estimates the obligation of these licenses to be approximately \$160,000 and plans to pay this from Nexicore cash flow during December, 2011 or January, 2012.

(d)

None.

(e)

1. In September, 2011, Nexicore was notified of the termination of its laptop repair business with Best Buy Canada.

(f)

None.

(g)

None.

(h)

1. On June 25, 2011, Parent began an investigation into the use of Parent's Home Depot credit card that is used for maintenance purchases. It was determined that a member of the maintenance staff had been charging personal items in addition to company purchases. The staff member made approximately \$12,300 in unauthorized

purchases. Two additional maintenance staff members were aware of the purchases and did not report them to management. All three staff members were terminated and one is being prosecuted.

(i)

1. Bankruptcy Case
2. CCAA Recognition Proceedings
3. As indicated during phone calls in August and September 2011 between Avnet and Nexicore, Nexicore has a payment due to the Canadian province of Quebec for provincial sales tax. The financial liability has been accrued on Nexicore's balance sheet as Taxes Payable since 2008, and was approximately \$1.2 million as of September 30, 2011. Nexicore plans to pay this obligation from existing cash prior to Closing.
4. Parent believes its total provincial taxes owed to all other provinces in Canada is approximately \$45,000. The liability has been accrued on Parent's financial statements.
5. Parent estimates it will have total income tax obligation in 2011 of approximately \$244,000, of which \$165,000 has been paid to date. The liability has been accrued on Parent's financial statements.
6. Parent believes approximately \$51,000 is due and outstanding to US states for sales/use tax. The liability has been accrued on Parent's financial statements.
7. In May, 2011 Parent began to provide certain installation services in the state of New York for public works contracts. The NY Department of Labor requires that each install comply with Prevailing Wage job classification that determines the hourly wage paid to an employee for a particular install. Parent's Human Resource department originally determined the hourly Prevailing Wage rate for employees performing this work to be approximately \$13.46 to \$24.51.

The job classification listed for the majority of the installs is "Electrician" which carries a prevailing wage amount of approximately \$32 to \$49 per hour. The rate varies by county. Parent believes the job classification to be incorrect as no electrical work is performed during the installation -- however a job classification for the type of installation being performed has yet to be defined by the Department of Labor. Parent's HR department has determined that until final compliance requirements are determined, certain employees may be eligible for back-pay in certain situations. Amount of exposure is currently estimated to be approximately \$25,000.

(j)

1. Bankruptcy Case

2. CCAA Recognition Proceedings

(k)

None.

Schedule 4.8(b)

Sufficiency of Transferred Assets

1. The disclosures set forth in Schedule 2.2(o) and 2.2(r) are incorporated herein by this reference.

Schedule 4.9

Licenses and Permits

1. Nexicore has an application pending for installation services for the New York City Department of Education.

Schedule 4.11(a)

Employees

1. See attached.
2. Employment Agreement, dated October 1, 2005, by and between Hartford Computer Group, Inc. and Brian Mittman
3. Employment Agreement, dated October 1, 2008, by and between Hartford Computer Group, Inc. and Randy Hodgson
4. Anthem Blue Cross Medical Insurance (PPO, HMO)
5. Anthem Blue Cross Dental Insurance (PPO, DHMO)
6. Lincoln National Life Insurance
7. Life Insurance (\$25,000)
8. EyeMed Vision
9. AFLAC Cancer Plan
10. AFLAC Dental Insurance
11. AFLAC Short Term Disability
12. AFLAC Long Term Disability
13. AFLAC Hospitalization
14. AFLAC Accident
15. AFLAC Life Insurance
16. Lincoln National Short Term Disability
17. Lincoln National Long Term Disability
18. 401k Fidelity
19. OHIP (Ontario Health Insurance Plan)
 - a. Medical
 - b. Dental
 - c. Prescription

- d. Emergency Transportation
- e. Vision

Hartford Computer Group
Employee Listing as of December 6, 2011

DEPT	JOB TITLE	State/Location	HIRE DATE
10215	Packaging Clerk	CA	10/7/2002
10215	Packaging Clerk	CA	12/17/2001
10215	Packaging Clerk	CA	4/26/2011
10216	Shipping Clerk	CA	11/22/2010
10215	Packaging Clerk	CA	4/26/2011
10222	Laptop Final Testing Clerk	CA	7/5/2011
10222	Laptop Final Test Technician	CA	10/27/2010
10214	Order Processing Clerk	CA	5/17/2010
10213	Quality Control Clerk	CA	4/18/2011
10122	Inside Sales Representative	CA	10/5/2011
10215	Order Processing Clerk	CA	8/31/2009
10212	Receiving Clerk	CA	1/24/2011
10215	Packaging Clerk	CA	11/22/2010
10215	Packaging Clerk	CA	10/17/2011
10214	Order Processing Clerk	CA	10/17/2011
10216	Shipping Clerk	CA	7/20/2010
10222	Packaging Clerk	CA	3/1/2010
10222	Asset Recovery Clerk	CA	8/1/2011
10212	Receiving Clerk	CA	4/18/2011
10213	Quality Control Clerk	CA	7/20/2010
10222	Laptop Final Test Technician	CA	6/27/2011
10212	Materials Handler	CA	7/29/2011
10213	Quality Control Clerk	CA	9/27/2010
10441	File Clerk	CA	6/29/2011
10212	Receiving Clerk	CA	4/18/2011
10212	Materials Handler	CA	2/15/2010
10215	Packaging Clerk	CA	11/23/2009
10321	Inventory Clerk	CA	1/11/2011
10222	Laptop Tech Final Testing	CA	12/6/2010
10215	Packaging Clerk	CA	3/23/2007
10215	Packaging Clerk	CA	10/17/2011
10122	Inside Sales Representative	CA	9/12/2011
10214	Order Processing Clerk	CA	11/22/2010
30123	Customer Service Representative	FL	6/1/2010
30123	Customer Service Representative	FL	11/7/2011
30211	Field Service Representative	MI	1/3/2011
30123	Customer Service Representative	FL	4/28/2008
30123	Customer Service Representative	FL	11/16/2009
30123	Customer Service Representative	FL	3/2/2009
30123	Customer Service Representative	FL	9/19/2011
30123	Customer Service Representative	FL	10/5/2009
30513	Billing Administrator	FL	10/5/2009
30123	Customer Service Representative	FL	9/19/2011
30123	Customer Service Representative	FL	9/19/2011
10215	Packaging Clerk	CA	11/13/2000
20222	Break Fix Technician	Ontario	7/19/2010

DEPT	JOB TITLE	State/Location	HIRE DATE
20321	Inventory Control Clerk	Ontario	3/9/2009
20213	Quality Control Clerk	Ontario	12/21/2009
20321	Inventory Control Clerk	Ontario	9/7/2010
20212	Shipping/Receiving Clerk	Ontario	3/9/2009
20212	Shipping/Receiving Clerk	Ontario	1/5/2009
20222	Break Fix Technician	Ontario	9/8/2009
10321	Inventory Clerk	CA	9/14/2009
10213	Quality Control Clerk	CA	8/16/2004
10321	Inventory Clerk	CA	2/28/2011
10215	Order Processing Clerk	CA	4/30/2001
10222	Data Verification/Entry Clerk	CA	1/31/2011
30123	Customer Service Representative	FL	12/20/2010
20212	Shipping/Receiving Clerk	Ontario	8/20/2009
10216	Shipping Clerk	CA	4/26/2011
10222	Repair Technician	CA	5/14/2007
10214	Laptop Order Processor	CA	11/5/2010
10212	Materials Handler	CA	2/9/2009
10213	Quality Control Clerk	CA	1/24/2011
30211	Field Service Representative	MI	1/3/2011
30123	Customer Service Representative	FL	9/30/2011
30123	Customer Service Representative	FL	9/28/2009
30123	Customer Service Representative	FL	9/30/2011
20222	Break Fix Technician	Ontario	11/24/2008
20212	Shipping/Receiving Clerk	Ontario	11/8/2010
20213	Quality Control Clerk	Ontario	3/25/2010
20111	Sales Assistant	Ontario	8/17/2010
20212	Shipping/Receiving Clerk	Ontario	2/9/2009
20213	Quality Control Lead	Ontario	3/15/2011
20111	Sales Assistant	Ontario	10/29/2007
20222	Break Fix Technician	Ontario	1/2/2009
20222	Break Fix Technician	Ontario	11/24/2008
20222	Break Fix Technician	Ontario	11/25/2008
20222	Break Fix Technician	Ontario	11/24/2008
20321	Inventory Control Clerk	Ontario	1/12/2009
20222	Break Fix Technician	Ontario	9/22/2008
10222	Laptop Final Test Technician	CA	11/12/2010
10232	QC Technician	CA	8/13/2008
10321	Inventory Clerk	CA	2/20/2006
10222	Asset Recovery Lead	CA	7/2/2010
30123	Customer Service Representative	FL	8/2/2010
30123	Customer Service Representative	FL	9/19/2011
30513	Recruiter	FL	10/31/2005
30124	Tech Support Representative	FL	3/7/2011
30124	Customer Service Representative	FL	2/23/2009
10222	Lead	CA	1/30/2006
10222	Shipping Clerk	IL	3/4/2011
10215	Rework Tech	CA	7/23/2007
10121A	Printer Repair Technician	IL	10/17/2011
30123	Customer Service Representative	FL	10/8/2007
30211	Tech Support Representative	MI	1/3/2011

DEPT	JOB TITLE	State/Location	HIRE DATE
30123	Customer Service Representative	FL	9/21/2009
30124	Tech Support Representative	FL	10/27/2008
30123	Customer Service Representative	FL	7/7/2008
30124	Customer Service Representative	FL	11/30/2009
30124	Tech Support Representative	FL	12/20/2010
30123	Customer Service Representative	FL	11/19/2007
30123	Customer Service Representative	FL	5/27/2008
30123	Customer Service Representative	FL	8/9/2010
30123	Customer Service Representative	FL	1/28/2008
30123	Customer Service Representative	FL	9/22/2008
30211	Field Service Technician	MI	11/14/2011
30123	Project Manager	FL	10/5/2009
20213	Quality Control Clerk	Ontario	8/3/2010
20222	Technical Services Representative	Ontario	3/14/2011
20321	Inventory Control Clerk	Ontario	12/30/2008
20213	Break Fix Technician	Ontario	10/26/2009
20111	Sales Assistant	Ontario	10/24/2006
20321	Inventory Control Clerk	Ontario	11/27/2008
20321	Inventory Control Clerk	Ontario	12/22/2008
20111	Sales Assistant	Ontario	11/8/2010
20321	Inventory Control Clerk	Ontario	9/7/2008
20213	Quality Control Clerk	Ontario	11/24/2008
20212	Shipping/Receiving Clerk	Ontario	2/9/2009
20321	Inventory Control Clerk	Ontario	9/8/2009
20222	Break Fix Technician	Ontario	7/12/2010
20213	Quality Control Clerk	Ontario	9/7/2010
20111	Sales Assistant	Ontario	10/27/2008
10321	Inventory Clerk	CA	7/24/2006
10222	System Board Technician	CA	8/14/2006
10222	Repair Technician	CA	5/21/2007
10216	Shipping Lead	CA	4/30/2007
10232	Parts Specialist	CA	7/21/2008
30124	Tech Support Representative	FL	10/30/2009
20213	Quality Control Clerk	Ontario	3/2/2007
20111	RMA Coordinator	Ontario	7/9/2007
10222	Repair Technician	CA	6/27/2011
10122	Customer Service Representative	CA	6/9/2008
10213	QC Technician	CA	10/24/2007
10222	Repair Technician	CA	11/20/2006
10222	Repair Technician	CA	10/2/2006
10222	Repair Technician	CA	2/21/2011
10222	Electronic Repair Technician	CA	11/22/2010
10222	Repair Technician	CA	2/14/2011
10214	Order Processing Clerk	CA	2/1/1999
10122	Customer Service Representative	CA	7/11/2011
10222	Repair Technician	CA	5/7/2007
10222	Mechanical Assembler	CA	9/27/2004
10222	Repair Technician	CA	1/31/2011
10321	Inventory Clerk	CA	7/11/2005
10222	Laptop Final Test Technician	CA	1/19/2010

DEPT	JOB TITLE	State/Location	HIRE DATE
10222	Test Technician Trainee	CA	6/17/2002
10222	Electronic Repair Technician	CA	8/8/2005
10222	Electronic Repair Technician	CA	7/20/2010
10413	AP File Clerk	CA	2/4/2008
10222	Electronic Repair Technician	CA	4/30/2010
10222	Repair Technician	CA	11/9/2010
30211	Field Service Representative	MI	12/13/2010
30211	Field Service Representative	MI	1/10/2011
30125	Field Service Representative	MI	3/24/2011
30124	Tech Support Representative	FL	3/31/2008
30211	Field Service Representative	MI	1/3/2011
30211	Field Service Representative	MI	12/13/2010
30211	Field Service Representative	MI	12/13/2010
30211	Field Service Representative	MI	1/3/2011
30211	Field Service Representative	MI	12/13/2010
20222	Break Fix Technician	Ontario	11/8/2010
20213	Quality Control Clerk	Ontario	9/13/2010
20321	Parts Ordering Clerk	Ontario	3/17/2008
20213	Quality Control Clerk	Ontario	2/5/2007
20212	Shipping/Receiving Clerk	Ontario	3/30/2006
20222	Break Fix Technician	Ontario	8/20/2009
20222	Break Fix Technician	Ontario	12/14/2009
10222	System Board Technician	CA	7/9/2001
10216	Shipping Clerk	CA	11/22/2010
10222	Repair Technician	CA	2/7/2011
10222	Repair Technician	CA	1/13/2011
10222	Quality Control Clerk	CA	9/12/2005
10222	Repair Technician	CA	10/1/2007
10122	Customer Service Representative	CA	10/29/2007
30124	Tech Support Representative	FL	6/2/2008
30124	Tech Support Representative	FL	11/17/2008
20211	Media Repair Tech	Ontario	5/2/2006
10212	Receiving Lead	CA	2/6/2006
10212	Receiving Lead	CA	3/3/2008
10222	Repair Technician	CA	9/18/2006
10222	Mechanical Assembler	CA	1/9/2006
10212	Receiving Clerk	CA	5/8/2007
10222	Test Technician	CA	6/22/2011
10222	Test Technician	CA	1/31/2011
10222	Printer Repair Technician	CA	8/23/2007
10222	Technician Assitant	CA	5/23/2011
30124	Field Service Representative	MI	2/7/2011
30124	Field Service Representative	MI	2/7/2011
30125	Field Service Techician	MI	6/20/2011
30124	Tech Support Representative	FL	10/10/2011
30125	Field Service Techician	MI	11/28/2011
30124	Service Administrator	FL	9/16/2004
20111	Program Supervisor	Ontario	2/25/2008
20222	Break Fix Technician	Ontario	8/27/2009
20211	Motherboard Repair Technician	Ontario	2/15/2006

DEPT	JOB TITLE	State/Location	HIRE DATE
20321	Parts Ordering Clerk	Ontario	2/5/2007
10612	Program Sales Administrator	CA	3/29/1999
10222	Board Technician	CA	6/20/2007
10321	Finish Goods Lead	CA	9/17/2001
30125	Field Service Technician	FL	6/6/2011
30124	Field Service Technician	FL	6/13/2011
10222	Repair Technician	CA	5/22/2006
10222	Technician	CA	5/14/2007
10213	Lead	CA	10/16/2007
10222	Repair Technician	CA	1/22/2007
10222	Repair Technician	CA	1/4/2006
10222	Repair Technician	CA	8/14/2006
20211	Media Repair Tech	Ontario	1/24/2007
10222	System Board Technician	CA	3/13/2006
10222	System Board Line Lead	CA	10/9/2000
10222	Electronic Repair Technician	CA	4/30/2010
10213	Quality Control Clerk	CA	2/4/2002
10222	Technician	CA	11/29/2010
10212	Receiving Lead	CA	9/20/2004
10122	Customer Service Representative	CA	11/7/2011
10122	Customer Service Representative	CA	2/2/2011
10111A	Printer Repair Technician	IL	5/23/2011
10441	Security	CA	8/6/2011
10122	Customer Service Representative	CA	5/16/2011
10122	Customer Service Representative	CA	1/24/2011
10222	Repair Technician	CA	5/23/2011
10311	Assistant Buyer	CA	9/17/2009
10122	Customer Service Representative	CA	11/28/2011
10222	Repair Technician	CA	5/14/2007
10222	Escalations Coordinator	CA	10/11/2004
10412	Collections and Credit Specialist	CA	12/17/2007
10122	Customer Service Representative	CA	8/25/2011
10222	Repair Technician	CA	9/20/2010
10413	A/P Administrative Clerk	CA	4/18/2007
10441	Security	CA	7/1/2010
10213	Hard Drive Tester	CA	9/15/2008
10222	Repair Technician	CA	5/31/2011
10122	Customer Service Representative	CA	10/10/2011
10222	Repair Technician	CA	6/1/2011
10222	Repair Technician	CA	1/9/2006
10222	Lead	CA	1/24/2005
10122	Customer Service Representative	CA	11/3/2010
10222	Repair Technician	CA	6/5/2006
10122	Customer Service Representative	CA	9/26/2011
10122	Customer Service Representative	CA	7/27/2011
30123	Customer Service Representative	FL	1/17/2011
30513	Administrative Assistant	FL	9/30/2011
20211	Motherboard Repair Technician	Ontario	5/8/2006
20222	Break Fix Technician	Ontario	8/18/2008
20222	Break Fix Lead Tech.	Ontario	9/29/2008

DEPT	JOB TITLE	State/Location	HIRE DATE
20212	Sr. Receiving Clerk	Ontario	7/30/2001
20213	Quality Control Lead	Ontario	2/19/2008
20222	Break Fix Technician	Ontario	6/23/2008
10222	Test Techician	CA	1/9/2006
10311	Parts Specialist	CA	5/14/2007
30123	Associate	FL	11/19/2007
10222	Mechanical Repair Technician	CA	4/13/1998
10222	Mechanical Repair Technician	CA	1/17/2000
10232	Parts Specialist	CA	4/2/2007
10222	Repair Technician	CA	10/2/2006
10222	Repair Solderer	CA	4/25/2005
10222	Mechanical Repair Technician	CA	9/20/2004
20211	Motherboard Repair Technician	Ontario	12/20/2007
20211	Motherboard Repair Technician	Ontario	10/22/2007
10311	Puchasing Assistant	CA	4/8/2011
10323	Maintenance	CA	2/8/2011
10122	Customer Service Representative	CA	7/2/2007
10222	Repair Technician	CA	4/17/2006
10323	Maintenance	CA	4/26/2011
10122	Customer Service Representative	CA	12/13/2010
10222	Repair Technician	CA	11/17/2011
10311	Purchasing Support Representative	CA	5/25/2011
10321	Inventory Analyst	CA	2/24/1997
10222	BGA Operator	CA	4/14/2008
10122	Customer Service Representative	CA	4/20/2011
10122	Customer Service Representative	CA	3/28/2011
10222	Sr. Repair Technician	CA	9/4/2007
10122	Lead, Customer Service Representative	CA	9/28/2011
30125	Field Service Techician	NY	6/6/2011
30124	Technical Support	IL	8/31/2009
20222	Break Fix Lead Tech.	Ontario	2/19/2008
20222	Break Fix Technician	Ontario	1/13/2009
20222	Break Fix Technician	Ontario	12/4/2007
20122	Administration Supervisor	Ontario	6/25/2007
20213	Quality Control Lead	Ontario	11/4/2008
10222	Repair Technician	CA	10/2/2000
10222	Production Lead	CA	12/6/1999
10122	Q/A Lead	CA	1/3/2006
10311	Assistant Buyer	CA	7/21/2011
10232	QA Technician	CA	1/10/2000
10122	Customer Service Representative	CA	11/22/2010
10222	Component Repair Technician	CA	3/1/1999
10222	Electronic Repair Technician	CA	10/9/2000
10222	Lead	CA	1/17/2005
20211	Motherboard Repair Technician	Ontario	12/11/2006
10412	Accounts Receivable Clerk	CA	2/2/2011
20211	Motherboard Repair Technician	Ontario	5/15/2007
20211	Motherboard Repair Technician	Ontario	8/14/2006
30124	Field Service Representative	PA	10/13/2008
30211	Field Service Supervisor	MI	12/13/2010

DEPT	JOB TITLE	State/Location	HIRE DATE
30125	Warehouse Lead	NY	4/7/2011
30125	Field Service Representative	NY	4/19/2011
10222	Repair Technician	CA	6/26/2006
10216	Shipping Supervisor	CA	10/15/2001
10122	National Parts Supervisor.	CA	2/19/2007
10411	Accounts Payable Clerk	CA	10/2/2009
10214	Order Processing Clerk	CA	10/30/1997
10122	Customer Service Representative	CA	4/26/2010
10222	System Board Technician	CA	4/9/2007
10222	Repair Technician	CA	5/31/2011
30124	Printer Technician	FL	12/13/2010
20321	Inventory Control Supervisor	Ontario	3/1/2006
20222	Break Fix Technician	Ontario	5/3/2010
20213	Quality Control Lead	Ontario	5/1/2006
20222	Break Fix Technician	Ontario	1/22/2007
20321	Inventory Control Supervisor	Ontario	9/10/2007
30124	Tech Support Supervisor	FL	9/22/2008
10222	Sr. Repair Technician	CA	7/17/2006
10222	System Board Technician	CA	2/12/2007
10222	Repair Technician	CA	4/3/2006
20222	Break Fix Lead Tech.	Ontario	1/7/2008
20211	Motherboard Repair Technician	Ontario	12/28/2005
10222	Mechanical Repair Technician	CA	7/12/1999
30124	Customer Services Supervisor	FL	2/22/2005
10122	Customer Service Representative	CA	1/17/2011
10222	Opitcal Tech.	CA	6/13/2011
10311	Purchasing Support Representative	CA	7/21/2011
10222	Repair Solderer	CA	9/7/2004
10412	AR Billing Clerk	CA	1/7/2011
10222	Repair Technician	CA	1/9/2006
20111	Parts Program Coordinator	Ontario	9/15/2003
10412	Collections and Credit Specialist	CA	10/6/2009
10411	Accounts Payable Clerk	CA	2/14/2000
30125	Field Service Representative	CA	4/13/2011
10222	Sr. Repair Technician	CA	9/18/2006
10222	Repair Technician	CA	6/19/2006
10321	Repair Technician	CA	7/17/2006
10232	Parts Team Lead	CA	9/17/2007
10411	Accounts Payable Specialist	CA	4/20/2009
10222	Repair Technician	CA	10/25/2005
10222	Repair Technician	CA	6/19/2006
10122	Customer Service Supervisor	CA	11/26/2007
10222	Sr. Repair Technician	CA	9/18/2006
10222	Component Repair Technician	CA	4/25/2005
10311	Assistant Buyer	CA	9/16/2002
10411	Accounts Payable Specialist	CA	3/7/2011
10311	Assistant Buyer	CA	10/17/2011
10222	Sr. Repair Technician	CA	9/11/2006
10222	Repair Technician	CA	5/16/2011
20222	Break-Fix Sr. Lead Technician	Ontario	12/19/2005

DEPT	JOB TITLE	State/Location	HIRE DATE
20213	QUALITY ASSURANCE	Ontario	7/9/2007
20222	Break-Fix Sr. Lead Technician	Ontario	4/10/2006
20122	IT Administrator	Ontario	9/12/2006
20111	Program Supervisor	Ontario	3/29/2005
20211	Sr. Motherboard Tech/Trainer	Ontario	1/18/2006
10413	Administrator Assistant	CA	2/24/2006
10222	BGA Operator	CA	4/26/1999
30124	Tech Support Representative	FL	3/31/2008
30124	Field Service Representative	FL	10/1/2007
10121	Sales Administrator	CA	7/25/2005
10311	Account Manager	IL	2/6/1997
30124	TV Repair Technician	FL	7/19/2010
10311	Analyst	CA	11/21/2011
10222	Sr. Repair Technician	CA	3/13/2006
10311	Buyer	CA	3/30/2010
10222	Sr. Repair Technician	CA	10/4/2004
10321	Inventory Control Coordinator	CA	1/16/2006
10441	Security	CA	8/2/2006
10222	Mechanical Specialist	CA	7/21/1997
10222	Board Technician	CA	4/10/2006
10411	Accounts Payable Specialist	CA	8/1/2008
10222	Repair Technician	CA	5/15/2006
10222	Sr. Repair Technician	CA	3/15/1999
10121A	Sr Sales Manager	IL	5/12/2008
10222	Laptop Supervisor	CA	10/24/2005
10222	Laptop Supervisor	CA	2/14/2005
30124	Tech Support Representative	FL	7/14/2008
30124	Tech Support Supervisor	FL	3/24/2003
10311	Buyer	CA	2/5/2007
10222	Component Repair Technician	CA	9/7/2004
10222	SRT Lead	CA	3/7/2005
10222	Production Supervisor	CA	6/16/1997
10222	Repair Technician	CA	7/17/2006
20222	Production Supervisor	Ontario	1/2/2007
20111	Parts Program Supervisor	Ontario	4/11/2005
20111	Program Supervisor	Ontario	9/13/2004
20211	Production Supervisor	Ontario	2/20/2006
30125	Manager	FL	9/18/2003
30125	Field Service Techician	NY	6/6/2011
30125	Field Service Representative	NY	4/19/2011
30124	Assistant Installation Technician	NJ	6/6/2011
10222	Material Supervisor	CA	9/12/2005
10222	Line Supervisor	CA	1/9/2006
30124	TV Repair Technician	FL	3/15/2010
10222	System Board Repair Technician	CA	6/1/2011
10412	AR Billing Clerk	CA	9/19/2007
20211	BGA Operator	Ontario	5/15/2007
10441	Recruiter	CA	10/21/2010
30513	Billing Manager	FL	11/17/2008
10421	Staff Accountant	CA	10/21/2002

DEPT	JOB TITLE	State/Location	HIRE DATE
	20212 Shipping/Receiving Manager	Ontario	8/14/2006
	10311 Senior Buyer	CA	10/12/1998
	10441 Payroll Administrator	CA	9/23/2004
	10611 Help Desk	CA	11/29/2007
	30124 Field Service Technician	NY	9/1/2004
	30124 Supervisor	FL	3/24/2003
	10222 Laptop Supervisor	CA	6/13/2011
	10412 A/R Collections Lead	CA	8/20/2001
	10311 Buyer	CA	10/4/2010
	10222 SRT Lead	CA	9/5/1996
	20222 Production Supervisor	Ontario	5/12/2008
10121A	Account Manager	IL	6/18/2001
	10122 Customer Services Manager	CA	6/15/2006
	20122 Manager of Administrative Services	Ontario	7/30/2002
	20222 Production Supervisor	Ontario	7/30/2007
	10211 Logistics Supervisor	CA	3/12/2007
	10611 Administrator, Network	CA	11/29/2010
	10121 Program Sales Administrator	CA	10/26/1998
	10311 Purchasing Supervisor	CA	5/17/1999
	20111 Laptop Program Manager	Ontario	6/11/2001
	30211 Field Service Manager	MI	12/13/2010
	10441 HR Generalist	CA	7/6/2006
	30124 Sr. Field Technician	FL	5/31/2011
10121A	Call Center	NE	1/13/1997
	10411 AP Lead	CA	2/5/2008
	30125 Project Manager	FL	10/3/2011
	10311 Buyer	CA	9/27/2010
	10211 Logistics Manager	CA	9/1/1997
	10311 Sr. Account Mgr	CA	6/25/2007
	10311 Analyst, Procurement	CA	9/7/2010
	10321 Inventory Control Manager	CA	11/12/2007
	10222 SRT Lead	CA	3/6/2006
	10121 Bid Specialist	CA	10/22/2007
	10311 Analyst	CA	4/4/2011
	30124 Project Manager	TN	6/6/2011
	30123 Customer Service Manager	FL	4/23/2007
	30124 Manager	FL	8/25/2003
	10222 Electrical Engineer	CA	9/5/2006
	10122 Parts Sales Manager	NV	2/9/2009
	10421 Manager of Financial Reporting	CA	2/4/2008
	30125 Sr. Client Relations Mgr.	FL	2/7/2005
	30125 Program Manager	FL	9/27/2010
	10421 Staff Accountant	CA	10/13/2008
	10311 Analyst, Procurement	CA	2/8/2010
	30125 Implementation Manager	NY	7/18/2011
	20222 Production Manager	Ontario	5/2/2005
	10611 IT Manager	CA	10/25/2004
10121A	Sr. Sales	IL	9/28/2004
	10211 IT Manager	CA	6/23/1997
	10121 VP Bus Dev	NY	2/21/2011

DEPT	JOB TITLE	State/Location	HIRE DATE
10441	HR Director	CA	7/5/2005
10421	Controller	CA	8/14/2006
20222	Plant Manager	Ontario	2/7/2005
10121A	Application Development Manager	IL	1/3/2006
10611	SAP Programmer	CA	2/28/2005
10121	Director of National Accounts.	CA	5/6/2008
10211	VP, Operations	CA	10/11/2005
10521	Chief Financial Officer	CA	6/12/2006
10121A	VP, Sales	IL	10/10/2005
20521	General Manager	Ontario	1/1/2007
30512	Vice President	FL	10/28/2002
10521	VP Procurement	CA	10/10/2005
10521	President, CEO	CA	9/23/2005

Schedule 4.11(b)

Collective Bargaining Arrangements

None.

Schedule 4.12

Brokers

1. Paragon Capital Partners, LLC

Schedule 4.13

Restrictions on Business

1. Hardware Service Provider Agreement, dated July 20, 2011, by and between Nexicore Services and Promethean Inc.

Schedule 5.5

Buyer Governmental Authorizations and Consents

None.

Schedule 7.1

Conduct of Business

None.

Schedule 12.7

Consents

None.

Schedule 12.10

Employment Agreements

1. Employment Agreement between Avnet, Inc. and Brian Mittman.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
HARTFORD COMPUTER HARDWARE,	)	Case No. 11-49744 (PSH)
INC., <i>et al.</i> , ¹	)	(Joint Administration Pending)
)	
Debtors.	)	Hon. Pamela S. Hollis

**ORDER AUTHORIZING THE SALE OF PROPERTY OF THE ESTATES UNDER
BANKRUPTCY CODE § 363 AND THE ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND LEASES UNDER BANKRUPTCY CODE § 365**

This matter coming before the Court on the *Motion For Order Authorizing The Sale Of Property Of The Estates Under Bankruptcy Code § 363 And The Assumption And Assignment Of Executory Contracts And Leases To Purchaser Under Bankruptcy Code § 365* (the “Motion”)²; the Court having reviewed the Motion and the Declaration in Support of First Day Relief; the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. § 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Motion having been sufficient under the circumstances; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein;

THE COURT FINDS AND CONCLUDES that:

1. In accordance with this Court’s Order (i) Approving Bidding Procedures, (ii) Granting Bid Protections, (iii) Approving Form and Manner of Sale Notices, and (iv) Setting Sale Hearing Date in Connection With Sale of Substantially All of the Debtors’ Assets (the “Sale”

¹ The Debtors are Hartford Computer Hardware, Inc. (FEIN 27-4297525), Nexicore Services, LLC (FEIN 03-0489686), Hartford Computer Group, Inc. (FEIN 36-2973523), and Hartford Computer Government, Inc. (FEIN 20-0845960).

² Capitalized terms not defined herein shall have the meaning given to them in the Motion.

Procedures Order”), the Debtors served notice of, among other things, the Motion, the proposed sale of the Acquired Assets, the proposed assumption and assignment of the Contracts and Leases, the proposed Cure Amounts, the opportunity to submit Competing Bids,³ the deadline to object to the Court’s entry of an order granting the Motion, and the date and time of the final hearing on the Motion on all parties required to receive such notice under the Sale Procedures Order. *See Certificate of Service* [DE #_____]. Such notice was adequate under Bankruptcy Rules 2002, 6004, and 6006 and the circumstances of these cases; no additional notice is necessary.

2. The Debtors received Qualified Bids from the following entities (together, the “Qualified Bidders”):

- a. Entity #1
- b. Entity #2

3. The Debtors conducted the Auction among the Purchaser and the Qualified Bidders in accordance with the Sale Procedures Order, and the Debtors indentified the Purchaser as the highest and best bid for the Acquired Assets. The Auction provided all entities a full and fair opportunity to make a higher or otherwise better offer to purchase the Acquired Assets under the circumstances.

4. The Court considered the Motion and conducted a hearing (the “Sale Hearing”) on February 17, 2012 at which statements of counsels for the Debtors, any objectors, and the Purchaser were heard.

5. The Debtor has identified, and the Court recognizes, the Purchaser as the prevailing bidder for the Acquired Assets in accordance with the Sale Procedures Order. The Purchaser’s bid is the highest and best bid for the Acquired Assets. With the entry of this Order,

³ Capitalized terms used but not defined in this Order have the meanings given to them in the Sale Procedures Order or the Motion.

the Purchaser's bid has no material unsatisfied conditions, is not subject to significant execution risk, and will be able to close immediately on or shortly after entry of this Order.

6. The transactions contemplated in the Agreement and this Order (the "Transaction"), including an immediate sale of the Acquired Assets to the Purchaser and the Debtors' assumption and assignment to the Purchaser of the Assumed Contracts, are in the best interests of the estates and creditors.

7. The Debtors have demonstrated sufficient and sound business justifications and compelling circumstances for the sale of the Acquired Assets other than in the ordinary course of the Debtors' business under Bankruptcy Code § 363(b) before, and outside of, a plan of reorganization because, among other things, the immediate consummation of the Transaction with the Purchaser is necessary and appropriate to maximize the value of the estates. Entry of an order in the form and substance of this Order is a necessary condition precedent to the Purchaser's consummation the Transaction.

8. The Purchaser and the Debtors negotiated the sale of the Acquired Assets without collusion, in good faith, and at arm's length. The Purchaser is, therefore, entitled to the protections afforded under Bankruptcy Code § 363(m). There was no agreement among the Purchaser, any of the Qualified Bidders, and any other potential bidder for the Acquired Assets, to control the price to be paid for the Acquired Assets under the Motion. Accordingly, nothing would cause the sale authorized by this Order to be avoided under Bankruptcy Code § 363(n).

9. The consideration to be paid by the Purchaser constitutes reasonably equivalent value or fair consideration (as those terms are defined in the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and Bankruptcy Code § 548), and fair consideration under the Bankruptcy Code, under the laws of the United States and any state, territory, or possession,

and, in accordance with the Initial Recognition Order entered by the Ontario Superior Court of Justice (Commercial List) (the “Ontario Court”), the Interim Initial Order entered by the Ontario Court and the Supplemental Order entered by the Ontario Court (together with the Initial Recognition Order, the Interim Initial Order, the “Recognition Orders”), under the laws of Canada and any of its provinces, territories, or possessions.

10. The Debtors are the sole, lawful owners of the Acquired Assets. The transfer of the Acquired Assets to the Purchaser under the Agreement will be a legal, valid, and effective transfer of the Acquired Assets, vesting the Purchaser with all title to the Acquired Assets free and clear of all liens, claims (as defined in Bankruptcy Code § 101(5)), encumbrances, obligations, liabilities, contractual commitments, or interests of any kind (collectively, the “Interests”), including without limitation (i) an Interest that purports to give a party a right to forfeit, modify, or terminate the Debtors’ interests in the Acquired Assets, or any similar right, and (ii) an Interest relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtors’ business before the closing of the sale authorized in this Order. All Interests attach to the proceeds attributable to the property against or in which such Interests are asserted, subject to the terms of such Interests, with the same validity and in the same priority that such Interests now have against the Acquired Assets or their proceeds, subject to any rights, claims, and defenses the Debtors or their estates may possess with respect to such Interests.

11. The Debtors may sell the Acquired Assets free and clear of all Interests because, with respect to each Interest, one or more of the standards set forth in Bankruptcy Code § 363(f)(1)-(5) is satisfied. Each entity asserting an Interest in the Acquired Assets: (i) has, subject to the terms and conditions of this Order, consented or is deemed to have consented to

the sale of the Acquired Assets; (ii) has an Interest that is subject to bona fide dispute; (iii) could be compelled in a legal or equitable proceeding to accept money satisfaction of its Interest; or (iv) otherwise falls within the provisions of Bankruptcy Code § 363(f). Those holders of Interests who did not timely object to the Motion are deemed, subject to the terms of this Order, to have consented under Bankruptcy Code § 363(f)(2). All holders of Interests are adequately protected by having their Interests attach to the proceeds ultimately attributable to the property against or in which such Interests are asserted.

12. The Debtors' assumption and assignment to the Purchaser of the Assumed Contracts is integral to the Agreement and is in the best interests of the Debtors and their estates, creditors, and all other parties in interest, and represents the reasonable exercise of the Debtors' business judgment. The Debtors have, to the extent necessary, cured or provided adequate assurance of cure of any default existing before the date of this Order with respect to the Assumed Contracts within the meaning of Bankruptcy Code § 365(b)(1)(A) and (f)(2)(A). The Purchaser's promise to perform the obligations under the Assumed Contracts after closing constitutes adequate assurance of future performance within the meaning of Bankruptcy Code § 365(b)(1)(C), (b)(3) (to the extent applicable), and (f)(2)(B).

13. The Transaction may include the transfer of Personally Identifiable Information, as defined in Bankruptcy Code § 101(41A). No Consumer Privacy Ombudsman need be appointed because the Purchaser has agreed to adhere to any privacy policies applying to the Debtors.

14. The objections filed by any objectors have been resolved or withdrawn based on the provisions of this Order to which all objectors, the Purchaser, and the Debtors stipulate as indicated by their counsels' signatures below.

15. Good cause appears for granting the relief requested in the Motion.

IT IS HEREBY ORDERED as follows:

A. The Motion is GRANTED.

B. All objections to the Motion or the relief requested therein that have not been made, withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.

C. The Agreement and the Transaction are APPROVED as provided in this Order. The Debtors are authorized and directed to: (a) execute the Agreement, along with any additional documents that may be reasonably necessary or appropriate to implement the Agreement but do not materially change the its terms; (b) consummate the Transaction; and (c) take any action reasonably necessary to implement the Transaction in a manner not inconsistent with this Order. The Agreement and any related agreements and documents may be modified by the parties to it, in writing and in accordance with its terms, without further order of this Court if the modification does not materially and adversely affect the estates.

D. The stays of this Order under Bankruptcy Rules 6004(h) and 6006(d) are waived. This Order is effective and enforceable immediately on entry.

E. Except as expressly provided in the Agreement or this Order, the sale of the Acquired Assets to the Purchaser is free and clear of all Interests under Bankruptcy Code § 363(f). All Interests are released, terminated, and discharged as to the Acquired Assets and the Purchaser (and its successors and assigns). Any Interest, if valid, legal, and enforceable, attaches to, and is to be satisfied from, the proceeds of the sale in the same priority the Interest had before the sale.

F. The Transaction and the Agreement and all its related documents constitute a duly authorized, legally valid, and binding transfer, specifically performable and enforceable against, and not subject to rejection or avoidance by, the Debtors or any representative of the Debtors' estates under any chapter of the Bankruptcy Code. Every federal, state, and local governmental agency or department is directed to accept any document or instrument necessary and appropriate to consummate the transactions contemplated by this Order. The Transaction may not be avoided under Bankruptcy Code § 365(n).

G. The purchase of the Acquired Assets is undertaken by the Purchaser in good faith, as that term is used in Bankruptcy Code §363(m). Accordingly, the reversal or modification on appeal of the authorization provided in this Order to consummate the Transaction will not affect the validity of the sale of the Acquired Assets to the Purchaser, unless this Order is duly stayed pending such an appeal. The Purchaser, as a purchaser in good faith of the Acquired Assets, is entitled to all protections afforded under Bankruptcy Code § 363(m).

H. Under no circumstance may the Purchaser or any of its affiliates be deemed a successor of any one of the Debtors for any Interest in the Acquired Assets. Any person holding an Interest in any component of the Acquired Assets is permanently enjoined from asserting, prosecuting, or otherwise pursuing its Interest against the Purchaser, its property, its affiliates, its successors, its assignees, its employees, its agents, or against the Acquired Assets with respect to that Interest. The provisions of this paragraph and all other provisions of this Order are intended to have effect in all federal, state, and local jurisdictions in the United States and, in accordance with the Recognition Orders, in all federal, provincial, and local jurisdictions in Canada.

I. On and after the closing of the Transaction, no holder of an Interest or any claim against any Debtor or its estate may interfere with Purchaser's title to, or use and enjoyment of,

the Acquired Assets. All entities, including without limitation the Debtors, their present and former employees, administrative agencies, governmental tax and regulatory authorities, secretaries of state, federal, state, and local officials, lenders, contract parties, bidders, lessors, warehousemen, customs brokers, freight forwarders, carriers, and other parties in possession of any Acquired Assets at any time, all creditors, and all other persons holding Interests of any kind arising under or out of, in connection with, or in any way relating to, the Debtors, the Acquired Assets, the operation of the Debtors' business before the closing of the Transaction, or with respect to any Interests arising out of or related to the Transaction, are forever barred and permanently enjoined from commencing, prosecuting, or continuing in any manner any action or other proceeding of any kind against the Purchaser, its property, its successors and assigns, its employees and agents, its affiliates, or the Acquired Assets. Following the Closing Date, no holder of an Interest in the Debtors may interfere in any way with the Purchaser's title to or use and enjoyment of the Acquired Assets based on or related to such Interest, or any actions that the Debtors may take in these cases.

J. Any entity in possession of or control over any component of the Acquired Assets must surrender such possession or control either to the Debtors before the Transaction's closing or the Purchaser no later than the Transaction's closing.

K. The Debtors are authorized to assume and assign to the Purchaser the Assumed Contracts effective as of the entry of this Order. Each counterparty to an Assumed Contract is forever barred and enjoined from asserting against the Debtors or the Purchaser, or their respective property, any assignment fee, default, breach, claim, pecuniary loss, liability, or obligation arising under or related to the Assumed Contracts existing as of the closing of the Transaction. With respect to the Transaction and the assignment of the Assumed Contracts to

the Purchaser as authorized in this Order, any provision in any of Assumed Contract that prohibits or conditions the assignment of such Assumed Contract or allows a party to such Assumed Contract to terminate, recapture, impose any penalty, or modify any term on the assignment of such Assumed Contract constitutes an unenforceable anti-assignment provision and is void.

L. If any license or permit necessary for the operation of the acquired business is determined not to be an executory contract assumable and assignable under Bankruptcy Code § 365, the Purchaser must apply for and obtain any necessary license or permit promptly after the Transaction's closing. The Debtors' licenses or permits must remain in place for the Purchaser's benefit until the Purchaser obtains all its necessary licenses and permits.

M. In accordance with the Agreement, the Debtors, at the Purchaser's request, must pay to any counter-party to an Assumed Contract any Cure Amount identified on Exhibit 1 to the Assumption and Cure Notice for that Assumed Contract to cure all monetary defaults and breaches under that Assumed Contract required under Bankruptcy Code § 365(b). The payment of any applicable Cure Amount (a) effects a cure of all defaults existing under the applicable Assumed Contract as of the Transaction's closing, (b) compensates any counter-party to such Assumed Contract for any actual pecuniary loss resulting from such default, and (c) together with the assignment of Assumed Contract to the Purchaser, constitutes adequate assurance of future performance of the Assumed Contract.

N. Nothing in any chapter 11 plan confirmed in the Debtors' cases, any order confirming any such plan, or any other order in these cases (including any order entered after any conversion of these cases into cases under chapter 7) may alter, conflict with, or derogate from the provisions of the Agreement or this Order.

O. This Court retains jurisdiction to enforce and implement the terms and provisions of this Order and any agreements or instruments executed in connection with this Order, including without limitation jurisdiction to resolve any disputes arising under or related to this Order and to interpret, implement, and enforce this Order's provisions.

P. The Purchaser, the Debtors, all holders of Interests, and any objectors are authorized and directed to enter into any agreement or take any action reasonably necessary or appropriate to consummate the Transaction, transfer title in the Acquired Assets to the Purchaser, and otherwise effect and implement the Agreement and the provisions of this Order.

Dated: _____, 2011

UNITED STATES BANKRUPTCY JUDGE