

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	10/01/1990

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
The Technical Group, Inc.		10/01/1990	CORPORATION: CALIFORNIA

RECEIVING PARTY DATA

Name:	Research Engineers, Inc.
Street Address:	22700 Savi Ranch Road
City:	Yorba Linda
State/Country:	CALIFORNIA
Postal Code:	92687
Entity Type:	CORPORATION: NEW JERSEY

PROPERTY NUMBERS Total: 32

Property Type	Number	Word Mark
Registration Number:	1590658	AUTOCALC
Registration Number:	1581302	COLLECT
Registration Number:	1581300	CONTOUR
Registration Number:	1581301	DIGIPLUS
Registration Number:	1581299	SEWER
Registration Number:	1579936	AUTOEDIT
Registration Number:	1579935	AUTOHEC2
Registration Number:	1579867	AUTONETWK
Registration Number:	1579937	AUTOROADS
Registration Number:	1579866	AUTOSEWER
Registration Number:	1578802	AUTOCHART
Registration Number:	1578749	AUTOUTIL
Registration Number:	1578750	AUTOWATER

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Registration Number:	1577495	AUTOHYD
Registration Number:	1577494	AUTOINIT
Registration Number:	1577493	AUTOSTORM
Registration Number:	1574476	MACDTM
Registration Number:	1574475	MACHDP
Registration Number:	1574477	MACSTORM
Registration Number:	1565630	AUTOXSECTIONS
Registration Number:	1550028	AUTOCOLLECT
Registration Number:	1550029	AUTOCONTOUR
Registration Number:	1550030	AUTOHIGHWAY
Registration Number:	1550031	AUTOSURVEY
Registration Number:	1547159	CADSOFT
Registration Number:	1547160	MACEARTHWK
Registration Number:	1546183	AUTODTM
Registration Number:	1544237	MACCONTOUR
Registration Number:	1544238	MUNISOFT
Registration Number:	1536257	SPEED MENUS
Registration Number:	1550032	AUTOIMPORT
Registration Number:	1556621	AUTOCONT

CORRESPONDENCE DATA

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Address Line 4: Costa Mesa, CALIFORNIA 92626

NAME OF SUBMITTER:	Ketan S. Vakil
Signature:	/Ketan S. Vakil/
Date:	08/16/2005

Total Attachments: 23
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MERGER AGREEMENT

This Merger Agreement ("Agreement") made this 1st day of October, 1990, by and between RESEARCH ENGINEERS, INC., a New Jersey Corporation, (hereinafter referred to as "REI") and THE TECHNICAL GROUP, INC., a California Corporation, (hereinafter referred to as "TGI").

Background. REI and TGI have agreed to merge their operations with a resulting entity being known as Research Engineers, Inc., a New Jersey corporation (the "Surviving Corporation"). The parties acknowledge that the merger will result in a stronger corporate structure and shall increase the probability of profits to be earned by the Surviving Corporation.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

Section 1. Plan of Merger.

1.1 Plan of Merger of TGI and REI, pursuant to the provisions of Chapter 10 of the New Jersey Business Corporation Act, the California Corporations Code and Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended, shall be adopted by both TGI and REI as follows:

1.1.1 TGI shall be merged with and into REI to result in a Surviving Corporation under the name of Research Engineers, Inc., to exist and be governed under the laws of the State of New Jersey.

1.1.2 When this agreement shall become effective, the separate corporate existence of TGI shall cease, and the Surviving Corporation shall succeed, without other transfer, to all the

rights and property of TGI and shall be subject to all the debts and liabilities of TGI, subject to the limitations as provided in Sections 2, 7, 13, and 14 hereinafter, in the same manner as if the Surviving Corporation had itself incurred them. All rights of creditors and all liens on the property of each constituent corporation shall be preserved unimpaired, limited in lien to the property effected by the liens immediately prior to the merger.

1.1.3 The Surviving Corporation will carry on business with the assets of TGI, as well as the assets of REI.

1.1.4 The shareholders of TGI will surrender all of their shares in the manner hereinafter set forth.

1.1.5 In exchange for the shares of TGI surrendered by its shareholders, the Surviving Corporation will issue and transfer to those shareholders, on the basis set forth in Section 4 hereinafter, shares of its common stock. The Surviving Corporation will amend its Certificate of Incorporation as set forth below to provide for the issuance of the shares of common stock, to provide for the increase in the number of shares of common stock authorized to be issued by the Surviving Corporation so that there will be sufficient shares to be issued to the shareholders of TGI in exchange for their TGI stock.

1.1.6 The shareholders of REI will retain their shares as shares of the Surviving Corporation.

1.1.7 The Certificate of Incorporation of REI as existing on the effective date of the merger shall continue in full force as the Certificate of Incorporation of the Surviving Corporation, except as amended to increase the number of shares of

common stock authorized, until altered, amended, or repealed as provided in the Certificate, or as provided by law.

1.2 The effective date of the merger ("Effective Date") will be the date when the Certificate of Merger is filed with the Secretary of State of New Jersey pursuant to New Jersey Statutes Section 14A:10-4.1.

Section 2. Representations and Warranties of TGI

As a material inducement to the Surviving Corporation to execute this Agreement and to perform its obligations under this Agreement, TGI represents and warrants to the Surviving Corporation as follows:

2.1 TGI is a corporation duly organized, validly existing, and in good standing under the laws of California, with corporate power and authority to own property and carry on its business as now being conducted. TGI is qualified to transact business as a foreign corporation, and is in good standing in all jurisdictions in which its principal property is located and business is transacted.

2.2 TGI has authorized the issuance of 1,000,000 shares of no par value common stock, of which 108,888 shares are validly issued and outstanding, fully paid and non-assessable on the date of this Agreement.

2.3 TGI has furnished the Surviving Corporation with an unaudited Balance Sheet of TGI as of June 30, 1990, and the related unaudited statement of income as of June 30, 1990, and an interim unaudited balance sheet and income statement (all of which is referred to as "the Balance Sheet") as of July 31, 1990. These

financial statements (i) are in accordance with the books and records of TGI; (ii) fairly represent the financial condition of TGI as of those dates and the results of the operations as of and for the period specified, are prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior accounting periods; and (iii) contain and reflect, in accordance with generally accepted accounting principles consistently applied, reserves for all liabilities, losses, and costs in excess of the expected receipts and all discounts and refunds for services and products already rendered or sold that are reasonably anticipated and based on events or circumstances in existence or likely to occur in the future with respect to any of the contracts or commitments of TGI. Specifically, but not by way of limitation, the Balance Sheet discloses, in accordance with generally accepted accounting principles, all of the debts, liabilities and obligations of any nature (whether absolute, accrued, contingent or otherwise, and whether due or to become due of TGI at the Balance Sheet date) and includes appropriate reserves for all taxes and other liabilities accrued or due at that date but not yet payable.

2.4 All required federal, state and local tax returns of TGI have been accurately prepared and duly and timely filed, and all federal, state and local taxes required to be paid with respect to the periods covered by the returns have been paid. TGI has not been delinquent in the payment of any tax or assessment.

2.5 TGI has no long-term debt at the date of execution of this Agreement and shall incur no long-term debt between the date

of execution and the Effective Date.

2.6 There are no outstanding stock subscriptions, options or rights which have not been exercised.

2.7 The Board of Directors has authorized for execution a plan and agreement of merger, a copy of which is attached hereto as Exhibit "A".

2.8 There are no pending or threatened legal actions against TGI except as set forth on Exhibit "B", attached hereto and made a part hereof.

2.9 The assets indicated as listed on the Balance Sheet belong to TGI and TGI has the right to transfer same free and clear of all liens.

2.10 TGI has not violated any patent rights. All software programs marketed by TGI are owned outright by TGI and subject to no royalty claims except as set forth on Exhibit "C".

2.11 TGI has not entered into any contracts not in the ordinary course of business.

2.12 There have been no changes in the compensation paid to executives of TGI after September 10, 1990.

2.13 There are no brokers or finders entitled to a fee.

2.14 TGI is not a party to any executory contracts other than those contracts provided as set forth in Exhibit "D", attached hereto and made a part hereof.

2.15 Any insurers insuring TGI have not given notice to TGI of any intent to cancel insurance coverage.

2.16 The Negative Working Capital of TGI, as shown on the Balance Sheet of June 30, 1990, is \$263,751 and that the Negative

Working Capital shall not exceed that figure as of the date of merger. As the term is used herein, Negative Working Capital is defined as the excess of current liabilities over current assets as determined by applying generally accepted accounting principles on a consistent basis.

Section 3. Representations and Warranties of REI

As a material inducement to execute this Agreement and perform its obligations under this Agreement, REI represents and warrants to TGI as follows:

3.1 REI is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey, with corporate power and authority to own property and carry on its business as now being conducted. REI is qualified to transact business as a foreign corporation, and is in good standing in all jurisdictions in which its principal property is located and business is transacted.

3.2 REI has authorized the issuance of two million (2,000,000) shares of common stock, with no par value, of which seven hundred sixty-two thousand two hundred sixteen (762,216) shares of the common stock are validly issued and outstanding, fully paid and non-assessable on the date of this Agreement.

3.3 REI has furnished TGI with the unaudited Balance Sheet of REI as of December 31, 1989, and the related unaudited Statement of Income for the 12 months then ended. These financial statements (i) are in accordance with the books and records of REI; (ii) fairly represent the financial condition of REI as of that date and the results of the operations as of and for the period

specified, all prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior accounting periods; and (iii) contain and reflect, in accordance with generally accepted accounting principles consistently applied, reserves for all liabilities, losses, and costs in excess of the expected receipts and all discounts and refunds for services and products already rendered or sold that are reasonably anticipated and based on events or circumstances in existence or likely to occur in the future with respect to any of the contracts or commitments of REI. Specifically, but not by way of limitation, the Balance Sheet discloses, in accordance with generally accepted accounting principles, all of the debts, liabilities and obligations of any nature (whether absolute, accrued, contingent or otherwise, and whether due or to become due of REI at the Balance Sheet date) and includes appropriate reserves for all taxes and other liabilities accrued or due at that date but not yet payable.

3.4 All required federal, state and local tax returns of REI have been accurately prepared and duly and timely filed, and all federal, state and local taxes required to be paid with respect to the periods covered by the returns have been paid. REI has not been delinquent in the payment of any tax or assessment.

3.5 REI has no long term debt at the date of execution of this Agreement, except for the long term debt as shown on the December 31, 1989 year end statement of REI, and shall incur no additional long term debt between the date of execution and the Effective Date other than debt referred to in Section 5.2.1.

Section 4. Securities Law.

The parties will mutually arrange for and manage all necessary procedures under the requirements of Federal and New Jersey Securities Laws, and the related supervisory commissions to the end that this plan is properly processed to comply with registration formalities, or to take full advantage of any appropriate exemptions from registration, and to otherwise be in accord with all anti-fraud restrictions in this area.

Section 5. Conduct of Business.

5.1 Except as limited by this Section 5, pending consummation of the merger, each of TGI and REI will carry on its business in substantially the same manner as before, and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its relationships with suppliers and other business contacts, except with the prior consent in writing of both REI and TGI. Pending consummation of the merger, neither REI nor TGI shall:

5.1.1 Declare or pay any dividend or make any distribution on its shares.

5.1.2 Create or issue any indebtedness for borrowed money except for loans made by Amrit Das pursuant to the terms of a Shareholders Agreement dated October 1, 1990.

5.1.3 Enter into any transaction other than those involved in carrying on its ordinary course of business.

Section 6. Submission to Shareholders.

6.1 This Agreement shall be submitted separately to the shareholders of REI in the manner provided by the laws of the State

of New Jersey for approval, and to the shareholders of TGI in the manner provided by the laws of the State of California for their approval.

Section 7. Conditions Precedent to Obligations of REI.

REI shall not be obligated to perform any of the obligations required hereunder until all of the following conditions precedent to the merger have been satisfied:

7.1 The representations and warranties made by TGI to REI in Section 2 of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects. If TGI shall have discovered any material error, misstatement, or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to REI, and shall either correct the error, misstatement, or omission, or obtain a written waiver from REI.

7.2 TGI shall perform and comply with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

7.3 TGI shall deliver to REI an opinion of Robert L. Lavoie, counsel for TGI, dated the Effective Date, to the effect that:

7.3.1 TGI is a corporation duly organized, and validly existing, and in good standing under the laws of California, with full corporate power to carry on the business in which it is engaged, and is legally qualified to do business as a foreign corporation in good standing in each jurisdiction where a failure to qualify would materially and adversely affect the

business or properties of TGI. TGI has no subsidiaries.

7.3.2 The execution, delivery and performance of this Agreement by TGI has been duly authorized and approved by requisite corporate action of TGI.

7.3.3 This Agreement and the instruments delivered to REI under this Agreement have been duly and validly executed and delivered by TGI and constitute the valid and binding obligations of TGI, enforceable in accordance with the terms, except as limited by the laws of bankruptcy and insolvency.

7.4 TGI shall deliver to REI a certificate dated the Effective Date executed in its corporate name by its President, certifying to the satisfaction of the condition specified in subsections 7.1 and 7.2.

7.5 No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

7.6 All corporate and other proceedings in any action taken in connection with the transaction contemplated by this Agreement, and all certificates, opinions, agreements, instruments and documents shall be satisfactory in form and substance to counsel for REI prior to the Effective Date.

7.7 All pension plans, profit-sharing plans, deferred compensation plans and other similar plans that TGI may have for its employees will have been fully funded by TGI as of the Effective Date, and TGI shall present proof satisfactory to REI's counsel of such payment, or in the alternative TGI shall present

proof satisfactory to REI'S counsel that no pension plans, profit-sharing plans, deferred compensation plans, and other similar plans exist.

7.8 Prior to the Effective Date, TGI will have entered into an agreement with Charles Hodge for the Highway Design Program, ("HDP") under which TGI will pay \$46,000 for royalties accrued to Mr. Hodge. Payment shall be made as follows: \$23,000 on October 1, 1990 and \$23,000 on January 1, 1991. In addition, Mr. Hodge will transfer all rights in the HDP to TGI at no additional cost. TGI will provide proof of such agreement in form and substance satisfactory to the counsel for REI prior to the Effective Date.

7.9 Prior to the Effective Date, TGI will enter into an agreement with M. Krishnamurthy for Mr. Krishnamurthy's Earthwork Program under which it will pay \$10,000 for accrued royalties owed to Mr. Krishnamurthy on October 1, 1990. Additionally, the agreement will call for the Earthwork Program to be replaced with a special version of HDP with reduced capabilities. TGI will provide proof of such agreement with Mr. Krishnamurthy satisfactory in form and substance to counsel for REI prior to the Effective Date.

7.10 Prior to the Effective Date, TGI will have entered into an agreement with Mr. Charles Moone to pay accrued royalties for his program, COGO-PC Plus, such agreement to provide for a payment of royalty at the rate of \$1,000 per week for 90 weeks, a 12½% royalty with a first year and third year buyout agreement, TGI will receive ownership of a non-exclusive copy of the COGO-PC Plus Program, TGI will give a written commitment on increased

advertising to Mr. Moone, TGI will promote an academic, instructional, low-cost version of the program, and TGI will contract for consulting new coding and information and transfer. TGI shall provide proof of such agreement with Mr. Moone in form and substance satisfactory to counsel for REI prior to the Effective Date.

7.11 Prior to the Effective Date, TGI will have entered into an agreement with Mr. Al Fowler with respect to the Water Program developed by Mr. Fowler. The agreement shall provide for payment of \$12,000 for accrued royalties to Mr. Fowler on October 1, 1990. TGI shall provide proof of such agreement with Mr. Fowler satisfactory in form and substance to counsel for REI prior to the Effective Date.

7.12 Prior to the Effective Date, Gary Koser and Tracy Lenocker will have received 2,000 and 3,668 shares of TGI stock respectively, in lieu of claims that Gary Koser and Tracy Lenocker have against TGI as reflected on the books of TGI as of the date of execution hereof. TGI shall provide proof of the transfer of stock and satisfaction of debt in form and substance satisfactory to REI's counsel.

7.13 Prior to the Effective Date, George Hill, Katie Hill and Clara Young will exercise their stock options to receive 500, 1,000 and 1,000 shares of TGI stock respectively. If they fail to exercise said option prior to the Effective Date, their option shall lapse.

7.13.1 Each of the shareholders of TGI shall have entered into a Shareholders Agreement in the form set forth on

Exhibit "E", attached hereto and made a part hereof.

7.14 Each stockholder of TGI shall have delivered a letter to REI containing the Indemnity Agreement and other provisions described in Section 13 of this Agreement.

Section 8. Conditions Precedent to the Performance of TGI.

Except as may be expressly waived in writing by TGI, all of the obligations of TGI under this Agreement are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions by REI:

8.1 The representations and warranties made by REI to TGI in Section 3 of this Agreement and in any document delivered pursuant to this Agreement shall be deemed to have been made again on the Effective Date and shall be true and correct. If REI shall have discovered any material error, misstatement or omission in those representations and warranties on or before the Effective Date, it shall report that discovery immediately to TGI and shall either correct the error, misstatement or omission, or obtain a written waiver from TGI.

8.2 REI shall perform and comply with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

8.3 REI shall deliver to TGI an opinion of Angelini, Viniar & Freedman, counsel for REI, dated the Effective Date, to the effect that:

8.3.1 REI is a corporation duly organized, validly existing, and in good standing under the laws of New Jersey, with full corporate power to carry on the business in which it is

engaged, and is legally qualified to do business as a foreign corporation in good standing in each jurisdiction where a failure to qualify would materially and adversely affect the business or properties of REI. REI has no subsidiaries.

8.3.2 The execution, delivery and performance of this Agreement by REI has been duly authorized and approved by requisite corporate action of REI.

8.3.3 This Agreement and the instruments delivered to TGI under this Agreement have been duly and validly executed and delivered by REI and constitute the valid and binding obligations of REI, enforceable in accordance with the terms, except as limited by the laws of bankruptcy and insolvency.

8.4 REI shall deliver to TGI a certificate dated the Effective Date, executed in its corporate name by its President, certifying to the satisfaction of the conditions specified in subsections 8.1 and 8.2 of this Section.

8.5 No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

8.6 All corporate and other proceedings in any action taken in connection with the transaction contemplated by this Agreement, and all certificates, opinions, agreements, instruments and documents shall be satisfactory in form and substance to counsel for TGI prior to the Effective Date.

Section 9. Manner of Converting Shares.

9.1 The holders of shares of TGI shall surrender their shares

or an affidavit of lost certificate to the Secretary of the Surviving Corporation on the Effective Date, in exchange for shares of the Surviving Corporation to which they are entitled under this Section 9. TGI shall also provide certified copies of the transfer ledger of TGI.

9.2 The shareholders of TGI shall be entitled to receive one (1) share of common stock of the Surviving Corporation for each share of common stock of TGI.

9.3 The currently outstanding seven hundred sixty-two thousand two hundred sixteen (762,216) shares of common stock of REI, each of no par value, shall remain outstanding as 87.5% of the common stock of the Surviving Corporation.

Section 10. Directors and Officers.

10.1 The present Board of Directors of REI shall continue to serve as the Board of Directors of the Surviving Corporation until the Shareholder's Agreement is executed and the new Board of Directors are elected and approved. An election shall be held upon the Effective Date of the merger or as soon thereafter as possible.

10.2 If a vacancy shall exist on the Board of Directors of the Surviving Corporation on the Effective Date of the merger, the vacancy may be filled by the shareholders as provided by the By-laws of the Surviving Corporation.

10.3 All persons who as of the Effective Date of the merger shall be executive or administrative officers of REI shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall determine otherwise. The Board of Directors of the Surviving corporation may elect or

appoint additional officers as it deems necessary.

Section 11. By-Laws.

The By-laws of REI as existing on the Effective Date of the merger shall continue in full force as the By-laws of the Surviving Corporation until altered, amended or repealed as provided by the By-laws or as provided by law.

Section 12. Survival of Warranties.

12.1 All statements contained in any memorandum, certificate, letter, document, or other instrument delivered by or on behalf of TGI, REI, or the stockholders pursuant to this Agreement shall be deemed representations and warranties made by the respective parties to each other under this Agreement. The covenants, representations and warranties of the parties and stockholders shall survive after the Effective Date. No inspection, examination or audit made on behalf of the parties or the stockholders shall act as a waiver of any representation or warranty made under this Agreement.

Section 13. Indemnification.

13.1 TGI agrees that on or prior to the Effective Date, it shall obtain from the stockholders of TGI an agreement under which the stockholders shall indemnify and hold harmless REI against and in respect of all Damages for a period equal to the Statute of Limitations under New Jersey law commencing on the Effective Date. "Damages", as used in this section, shall include any claim, action, demand, loss, cost, expense, liability and penalty, including without limitation, counsel fees and other costs and expenses incurred in investigating, and attempting to avoid Damages and to oppose the imposition of Damages resulting from a

meritorious claim, or in enforcing this indemnification, resulting to REI from (i) any material misrepresentation made by or on behalf of TGI or its stockholders, in or pursuant to this Agreement; (ii) breach of any of the warranties made by or on behalf of TGI or the stockholders, pursuant to this Agreement; (iii) breach or default in performance by TGI of any of the obligations to be performed by it under this Agreement; (iv) breach or default in the performance by the stockholders of TGI of any of the obligations to be performed by them under any agreement delivered by them to REI pursuant to this agreement. Any such indemnity shall be limited to the value of the stock held by each such shareholder in REI, such value as determined by a Shareholders Agreement for REI dated , 1990.

13.2 The stockholders shall reimburse REI on demand for any payment made or for any loss suffered by REI at any time after the effective date based on the judgment of any court of competent jurisdiction or pursuant to a bona fide compromise or settlement of claims, demands or actions in respect of any damages specified by the foregoing indemnity. The stockholders shall, at stockholders' option, satisfy their obligations to REI by the payment of cash on demand or by surrendering their shares. The stockholders shall have the opportunity to defend any claim, action or demand asserted against REI for which REI claims indemnity against the stockholders; provided that (i) the defense is conducted by reputable counsel approved by REI, which approval shall not be unreasonably withheld; (ii) the defense is expressly assumed in writing within ten (10) days after the written notice

of the claim, action or demand is given to the stockholders and (iii) counsel for REI may participate at all times and at all proceedings (formal and informal) relating to the defense, compromise and settlement of the claim, action or demand, at the expense of TGI.

13.3 TGI will cause the stockholders to pay all expenses in excess of Ten Thousand (\$10,000.00) Dollars incurred by TGI in connection with and arising out of this agreement and the transactions contemplated by this agreement, including without limitation, all fees and expenses of TGI's counsel and accountants and none of which shall be charged to REI. If the transactions contemplated by this agreement are not consummated, either TGI or the stockholders shall pay such expenses of TGI as the stockholders and TGI may then determine. REI shall bear those expenses incurred by it in connection with this agreement and the transactions contemplated by this agreement.

Section 14. Negative Working Capital

14.1 TGI acknowledges that as of June 30, 1990, the adjusted Negative Working Capital, as defined in Section 2.16, is Two Hundred Sixty-Three Thousand Seven Hundred Fifty-One Dollars (\$263,751.00). TGI and its shareholders agree that, as of the Effective Date, if the Negative Working Capital exceeds Two Hundred Thousand (\$200,000.00) Dollars, then REI shall have the option to void this agreement and the merger. TGI shall provide proof of the Negative Working Capital figure on the Effective Date in form and substance satisfactory to REI's counsel.

Section 15. Termination.

15.1 This agreement may be terminated and the merger may be abandoned at any time prior to the effective date, notwithstanding the approval of the shareholders of either of the constituent corporations.

15.2 Termination of this agreement may occur as follows:

15.2.1 By mutual consent of the Board of Directors of the constituent corporations.

15.2.2 At the election of the Board of Directors of either TGI or REI if:

15.2.2.1 The number of shareholders of either corporation or both, descending from the merger, shall be so large as to make the merger, in the opinion of either Board of Directors, inadvisable or undesirable.

15.2.2.2 Any material litigation or proceeding shall be instituted or threatened against either corporation, or any of its assets, that, in the opinion of either Board of Directors, renders the merger inadvisable or undesirable.

15.2.2.3 Any legislation shall be enacted that, in the opinion of the Board of Directors, renders the merger inadvisable or undesirable.

15.2.2.4 Between the date of this agreement and the effective date, there shall have been, in the opinion of either Board of Directors, any materially adverse change in the business or condition, financial or otherwise, of either constituent corporation.

15.2.3 At the election of the Board of Directors of either REI or TGI, if the commissioner of Internal Revenue shall

not have ruled, in substance, that for federal income tax purposes, the merger will qualify as a reorganization under Section 368 (a)(1)(A) of the Internal Revenue Code of 1986, and that no gain or loss will be recognized to the shareholders of TGI in exchange of their common stock or stock of the surviving corporation.

15.2.4 At the election of the Board of Directors of REI if without the prior consent in writing of REI, TGI shall have:

15.2.4.1 Declared or paid a cash dividend on its common stock.

15.2.4.2 Created or issued any indebtedness for borrowed money.

15.2.4.3 Entered into any transaction other than those involved in carrying on its business in the usual manner.

15.2.5 At the election of the Board of Directors of TGI if without the prior consent in writing of TGI, REI shall have:

15.2.5.1 Declared or paid a cash dividend on its common stock.

15.2.5.2 Created or issued any indebtedness for borrowed money, except as provided in Section 5.1.2.

15.2.5.3 Entered into any transaction other than those involved in carrying on its business in the usual manner.

15.3 If an election is made to terminate this agreement and abandon the merger:

15.3.1 The President of the constituent corporation whose Board of Directors has made the election shall give immediate written notice of the election to the other constituent corporation.

15.3.2 On giving of notice as provided in subsection 15.3.1, this agreement shall terminate and the proposed merger shall be abandoned, and except for payment of its own costs and expenses incident to this Agreement, there shall be no liability on the part of either constituent corporation as a result of the termination and abandonment.

15.4 If this Agreement is terminated and the merger abandoned after the filing of a Certificate of Merger with the Secretary of State of New Jersey pursuant to New Jersey Statutes Section 14A:10-4.1, the constituent corporations electing or consenting to the termination and abandonment shall immediately cause to be filed with the Secretary of State of the State of New Jersey a Certificate of Abandonment pursuant to New Jersey Statutes Section 14A:10-8. A Certificate of Abandonment shall be executed on behalf of the electing or consenting corporation by the Chairperson of the Board of Directors or the President.

Section 16. Interpretation and Enforcement.

TGI agrees that from time to time, as and when requested by the Surviving Corporation or by its successors or assigns, it will execute and deliver, or cause to be executed and delivered, all deeds and other instruments. TGI further agrees to take or cause to be taken any further or other actions as the Surviving Corporation may deem necessary or desirable to vest in, to perfect in, or to conform of record or otherwise to the Surviving Corporation, title to and possession of all the property, rights, privileges, powers and franchises referred in Section 1 of this Agreement, and otherwise to carry out the intent and purposes of

this Agreement.

Section 17. Notices.

Any notice or other communication required or permitted to be given under this Agreement shall be properly given when deposited with the United States Postal Service for transmittal by Certified or Registered Mail, postage prepaid, by hand-delivery, or by telefax, when addressed as follows:

Research Engineers, Inc.
540 Lippincott Drive
Marlton, NJ 08054

The Technical Group, Inc.
1592 N. Batavia Street, Suite 1A
Orange, CA 92667

With a copy to:

Richard P. Freedman, Esquire
Angelini, Viniar & Freedman
Plaza 1000, Suite 204
Main Street
Voorhees, NJ 08043

and

Robert L. Lavoie, Esquire
888 S. West Street
Suite 400
Anaheim, California 92802

Section 18. Controlling Law.

The validity, interpretation and performance of this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of New Jersey.

Section 19. Entire Agreement and Counterparts.

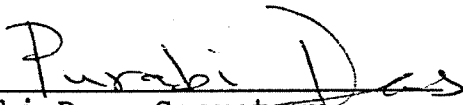
This Agreement and the Exhibits to this Agreement contain the entire agreement between the parties with respect to the contemplated transaction. This Agreement may be executed in any

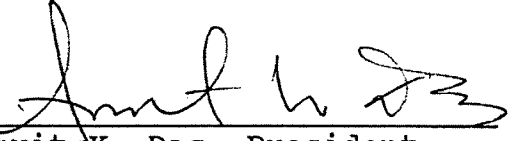
number of counterparts, all of which taken together shall be deemed one original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

RESEARCH ENGINEERS, INC.,
a New Jersey Corporation

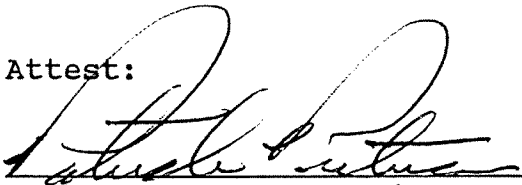
Attest:

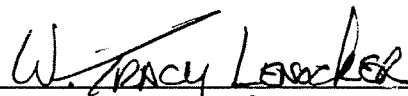

Purabi Das, Secretary

By: 
Amrit K. Das, President

THE TECHNICAL GROUP, INC.,
a California Corporation

Attest:


Patrick Putnam, Secretary

By: 
W. Tracy Lenocker, President