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DEPT. OF REVENUE
DIVISION OF CORPORATE & ESTATE TAXES
TALLAHASSEE, FLORIDA

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05 FEB 24 PM 4: 51

2005 Feb 24 PM 4: 52
TALLAHASSEE, FLORIDA

FILED

Merger

FEB 25 2005

CT CORPORATION

February 24, 2005

Department of State, Florida
409 East Gaines Street
Tallahassee FL 32399

Re: Order #: 6308728 SO
Customer Reference 1:
Customer Reference 2:

Dear Department of State, Florida:

Please obtain the following:

Geospatial Systems, Inc. (FL)
Merger (Survivor)
Florida

Geospatial Systems, Inc. (FL)

Enclosed please find a check for the requisite fees. Please return document(s) to the attention of the undersigned.

Enclosed please find a check for the requisite fees. Please return document(s) to the attention of the undersigned.

If for any reason the enclosed cannot be processed upon receipt, please contact the undersigned immediately at (850) 222-1092. Thank you very much for your help.

Sincerely,

Ashley A Mitchell
Fulfillment Specialist
Ashley_Mitchell@cch-lis.com

660 East Jefferson Street
Tallahassee, FL 32301
Tel. 850 222 1092
Fax 850 222 7615

A WoltersKluwer Company

This is missing a date on the Articles. Please request for holding the date and I will have the specific date tomorrow. Thx! AEM

★ This is original signature.



FLORIDA DEPARTMENT OF STATE
Glenda E. Hood
Secretary of State

February 25, 2005

C T CORPORATION

TALLAHASSEE, FL

SUBJECT: GEOSPATIAL SYSTEMS, INC.
Ref. Number: H37288

We have received your document for GEOSPATIAL SYSTEMS, INC. and check(s) totaling \$105.00. However, the enclosed document has not been filed and is being returned to you for the following reason(s):

The date of adoption/authorization of this document must be a date on or prior to submitting the document to this office, and this date must be specifically stated in the document. If you wish to have a future effective date, you must include the date of adoption/authorization and the effective date. The date of adoption/authorization is the date the document was approved.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6903.

Cheryl Coulliette
Document Specialist

Letter Number: 905A00013283

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DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

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+ backfile
to 2/24/05.
thw!
Adm.

ARTICLES OF MERGER
OF
ANALUX, INC. AND PIXEL PHYSICS, INC
INTO
GEOSPATIAL SYSTEMS, INC.

FILED
2005 Feb 24 PM 4:52
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of the Florida Business Corporation Act, the domestic business corporation and the foreign business corporations herein named do hereby submit the following Articles of Merger in accordance with Section 607.1105 of Florida Business Corporation Act.

1. The names and jurisdiction of organization of the corporations proposing to merge are:

<u>Name</u>	<u>Jurisdiction</u>
Geospatial Systems, Inc.	Florida
Analux, Inc.	Pennsylvania
Pixel Physics, Inc.	New York

2. The name of the surviving corporation is Geospatial Systems, Inc.
3. The Agreement and Plan of Merger is attached hereto as Exhibit A.
4. The merger shall become effective on the date these Articles of Merger are filed with the Florida Department of State.
5. The shareholders of Geospatial Systems, Inc. entitled to vote on the aforesaid Agreement and Plan of Merger ~~unanimously~~ approved and adopted the Agreement and Plan of Merger by written consent given by them on ~~October~~ *November 8* 2004 in accordance with the provisions of Section 607.0704 of the Florida Business Corporation Act.
6. The merger of Analux, Inc. and Pixel Physics, Inc. with and into Geospatial Systems, Inc. is permitted by the laws of the jurisdictions of organization of Analux, Inc. and Pixel Physics, Inc. and has been authorized in compliance with said laws. The date of approval and adoption of the Agreement and Plan of Merger by the shareholders of Analux, Inc. was ~~October 18~~ *November 18*, 2004 and the date of approval and adoption of the Agreement and Plan of Merger by the shareholders of Pixel Physics, Inc. was ~~November 4~~ *November 4*, 2004.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger
to be executed as of this 24 day of February, 2005.

GEOSPATIAL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

ANALUX, INC.

By: William Kent
Name: WILLIAM KENT
Title: PRESIDENT & CEO

PIXEL PHYSICS, INC.

By: Michael J. Richardson
Name: MICHAEL J. RICHARDSON
Title: PRESIDENT

IN WITNESS WHEREOF, the undersigned have caused these Articles of Merger
to be executed as of this 24 day of February, 2005.

GEOSPATIAL SYSTEMS, INC.

By: 
Name: GERALD E. ROSS, Ph.D.
Title: CEO

ANALUX, INC.

By: _____
Name: _____
Title: _____

PIXEL PHYSICS, INC.

By: _____
Name: _____
Title: _____

FEB 24 2005 15:04 FR MORGAN LEWIS PIT 412_560_3995

Exhibit A
[Agreement and Plan of Merger]

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is made this 9th day of November, 2004, by and among ANALUX, INC., a Pennsylvania corporation ("Analux"), GEOSPATIAL SYSTEMS, INC. f/k/a ANRO ENGINEERING, INC., a Florida corporation ("Anro"), PIXEL PHYSICS, INC., a New York corporation ("Pixel") and, solely with respect to the indemnification obligations set forth in Section 13, each of the shareholders of Analux, Anro and Pixel.

RECITALS:

WHEREAS, the parties intend that, subject to the terms and conditions hereinafter set forth, Analux and Pixel shall merge with and into Anro (the "Merger"), with Anro to be the surviving corporation of the Merger, all pursuant to the terms and conditions of this Agreement; and

WHEREAS, the Boards of Directors of Analux, Anro and Pixel have determined that the Merger is in the best interests of their respective companies and shareholders, have approved and declared advisable this Agreement and, accordingly, have agreed to effect the Merger provided for herein upon the terms and conditions of this Agreement; and

WHEREAS, Analux, Anro and Pixel desire to make certain representations, warranties, covenants and agreements in connection with the Merger and to prescribe various conditions to the Merger; and

WHEREAS, Analux, Anro and Pixel intend for the Merger to constitute and qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement constitute a "plan of reorganization" within the meaning of Section 368(a) of the Code.

NOW, THEREFORE, for the purpose of effecting the Merger and prescribing the terms and conditions thereof and in consideration of the mutual covenants and agreements contained herein, Analux, Anro and Pixel, intending to be legally bound, hereby covenant and agree as follows:

ARTICLE I **THE MERGER**

Section 1.1. The Merger. In accordance with applicable Pennsylvania, Florida and New York law, at the Effective Time (as defined herein), Analux and Pixel shall be merged with and into Anro. As a result of the Merger, the separate corporate existence of Analux and Pixel shall cease and Anro shall be the surviving corporation of the Merger (the "Surviving Corporation").

Section 1.2. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the Florida Business Corporation Act, as amended (the "FBCA"), the Pennsylvania Business Corporation Law of 1988, as amended (the "PABCL"), and the New York Business Corporation Law, as amended (the "NYBCL"). Without limiting the

generality of the foregoing, at the Effective Time, all of the property, rights, privileges and powers of Analux and Pixel shall vest in the Surviving Corporation and all debts, liabilities, obligations, restrictions, disabilities and duties of Analux and Pixel shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

Section 1.3. Articles of Incorporation and Bylaws of the Surviving Corporation. The Articles of Incorporation and Bylaws of Anro in effect immediately prior to the Effective Time shall be the Articles of Incorporation and Bylaws of the Surviving Corporation until amended thereafter in accordance with applicable law.

Section 1.4. Closing. The closing (the "Closing") of the transactions contemplated by this Agreement will take place at the offices of Pietragallo, Bosick & Gordon, One Oxford Centre, 38th Floor, Pittsburgh, Pennsylvania 15219 (or such other place as the parties may agree) at 10:00 a.m. local time on November 17, 2004, or at such other date, time and place as is mutually agreed among the parties (the "Closing Date").

Section 1.5. Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation its right, title and interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of Analux or Pixel, or (b) otherwise to carry out the purposes of this Agreement, the Surviving Corporation and its proper officers and directors or their designees shall be authorized to execute and deliver, in the name and on behalf of Analux or Pixel, all such deeds, bills of sale, assignments and assurances and to do, in the name and on behalf of Analux or Pixel, all such other acts and things as may be necessary, desirable or proper to vest, perfect or confirm the Surviving Corporation's right, title and interest in, to and under any of the rights, privileges, powers, franchises, properties or assets of Analux or Pixel, and otherwise to carry out the purposes of this Agreement.

Section 1.6. Certain Definitions. In addition to the terms defined elsewhere herein, for purposes of this Agreement the capitalized words set forth in Schedule I attached hereto and incorporated herein by reference shall have the meanings set forth in Schedule I, unless otherwise defined herein or the context otherwise clearly requires.

ARTICLE II

CONVERSION OF SECURITIES; ESCROW

Section 2.1. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Analux, Anro and Pixel or the holders of any of the following securities:

(a) Subject to the provisions of Section 2.2, each share of common stock of Anro, no par value ("Anro Common Stock"), issued and outstanding immediately prior to the Effective Time shall receive a dividend of nine shares of Anro Common Stock for each outstanding share of Anro Common Stock (the "Surviving Corporation Common Stock").

(b) Subject to the provisions of Section 2.2, each share of common stock of Analux, \$.01 par value per share ("Analux Common Stock"), issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive and become exchangeable for 3.306199 shares of Surviving Corporation Common Stock.

(c) Subject to the provisions of Section 2.2, each share of common stock of Pixel, \$.01 par value per share ("Pixel Common Stock"), issued and outstanding immediately prior to the Effective Date shall be converted into the right to receive and become exchangeable for 10.752215 shares of Surviving Corporation Common Stock.

Section 2.2. Exchange of Certificates.

(a) As promptly as practicable after the Effective Time, the Surviving Corporation shall mail to each holder of record of shares Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be, a letter of transmittal and instructions for use in exchanging their certificate or certificates representing all of such shareholders' outstanding shares of Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be. Each such shareholder of Anro, Analux or Pixel shall be entitled to receive, in exchange for such certificate or certificates, a certificate representing that number of whole shares of Surviving Corporation Common Stock that such shareholder has the right to receive pursuant to the provisions of Section 2.1, less the number of Escrow Shares (as defined below) allocable to such shareholder that are deposited into the Indemnity Escrow Fund (as defined herein). Each certificate so surrendered shall forthwith be canceled. The term "Escrow Shares" means with respect to each shareholder of outstanding shares of Anro Common Stock, Analux Common Stock or Pixel Common Stock that number of shares of Surviving Corporation Common Stock equal to 10% of the aggregate number of shares of Surviving Corporation Common Stock which each such shareholder has the right to receive in respect of the certificate or certificates surrendered pursuant to the provisions of Section 2.1.

(b) Upon surrender to the Surviving Corporation's counsel of a certificate or certificates for cancellation, together with such letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may be reasonably required pursuant to such instructions, the Surviving Corporation shall (i) cause to be delivered to each shareholder of Anro, and each former shareholder of Analux and Pixel a certificate representing those shares of Surviving Corporation Common Stock issuable to such shareholder which are not Escrow Shares and (ii) cause to be set aside and shall hold and safeguard a certificate or certificates representing the Escrow Shares of each shareholder of Analux, Anro and Pixel (such Escrow Shares, together with any and all income and proceeds thereon, shall be referred to hereinafter as the "Indemnity Escrow Fund"). The Escrow Shares shall be held in escrow by Surviving Corporation as security for the indemnification obligations under Section 13. To the extent not used for such purposes, the Escrow Shares shall be released from the Indemnity Escrow Fund as provided in Section 13. Surviving Corporation shall hold and safeguard the Escrow Shares in the Indemnity Escrow Fund in trust under the provisions of Section 13, shall not treat the Escrow Shares in the Indemnity Escrow Fund as the property of Surviving Corporation and shall hold and dispose of the Escrow Shares only in accordance with the terms hereof. Each Surviving Corporation shareholder

shall have voting rights with respect to the shares of Surviving Corporation Common Stock contributed to the Escrow Shares by such shareholder.

(c) If any certificate representing shares of Surviving Corporation Common Stock is to be issued in a name other than that in which the certificate surrendered in exchange therefor is registered, it shall be a condition of such exchange that the certificate(s) so surrendered shall be properly endorsed for transfer (or accompanied by an appropriate instrument of transfer) and shall otherwise be in proper form for transfer, and that the person requesting such exchange shall pay any transfer or other taxes required by reason of the issuance of certificates for such shares of Surviving Corporation Common Stock in a name other than that of the registered holder of the certificate surrendered, or shall establish to the satisfaction of Surviving Corporation that any such taxes have been paid or are not applicable.

(d) Notwithstanding any other provision of this Article II, no fractional shares of Surviving Corporation Common Stock will be issued but rather any of shares of Surviving Corporation Common Stock to be issued pursuant to this Agreement shall be rounded up to the nearest whole share.

Section 2.3. Distributions with Respect to Unexchanged Shares. Notwithstanding any other provisions of this Agreement, no dividends (except for those dividends paid pursuant to Section 2.1(a)) or other distributions on shares of Surviving Corporation Common Stock shall be paid with respect to any share of Surviving Corporation Common Stock or other securities represented by a certificate until such certificate is surrendered for exchange as provided herein. No holder of unsurrendered certificates shall be entitled, until the surrender of such certificate, to vote the shares of Surviving Corporation Common Stock which such holder shall have the right to receive pursuant to this Article II.

Section 2.4. No Further Ownership Rights in Surviving Corporation Common Stock. The issuance of the shares of Surviving Corporation Common Stock in accordance with this Article II in respect of each share of Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be, owned by the shareholders of Anro, Analux or Pixel shall be deemed to have been paid in full satisfaction of all rights pertaining to each such share of Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be, which were outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates are presented for transfer to the Surviving Corporation, they shall be canceled and exchanged for certificates representing shares of Surviving Corporation Common Stock in accordance with the procedures set forth in this Article II.

Section 2.5. Lost Certificates. In the event any certificate shall have been lost, stolen or destroyed, Surviving Corporation may, in its discretion and as a condition precedent to the issuance of the shares of Surviving Corporation Common Stock as set forth above in respect of shares of Anro Common Stock, Analux Common Stock or Pixel Common Stock, as the case may be, represented by such certificate, require the owner of such lost, stolen or destroyed certificate to make

an affidavit of that fact containing such indemnification provisions as Surviving Corporation may reasonably deem appropriate.

Section 2.6. Appraisal Rights. Notwithstanding anything in this Agreement to the contrary, any shares of Anro Common Stock, Analux Common Stock or Pixel Common Stock held by any shareholder who shall have demanded and not lost or withdrawn, or who shall be eligible to demand, appraisal rights with respect to such shares of stock in the manner provided in the FBCA, PABCL or NYBCL shall not represent the right to receive the shares of Surviving Corporation Common Stock under this Article II. If any shareholder of Anro, Analux or Pixel shall fail to perfect or shall effectively withdraw or lose his right to appraisal and payment under the FBCA, PABCL or NYBCL, as applicable, each share of Anro Common Stock, Analux Common Stock or Pixel Common Stock held by such shareholder shall thereupon, in accordance with and subject to the provisions set forth in this Article II, represent the right to receive the shares of Surviving Corporation Common Stock as set forth in this Article II.

Section 2.7. Stock Options. At the Effective Time, each then outstanding option to purchase shares of Anro Common Stock shall be adjusted automatically, such that: (i) the number of shares of Surviving Corporation Common Stock subject to each granted and outstanding option shall be multiplied by 10 and the exercise price per share of Surviving Corporation Common Stock subject to each granted and outstanding option shall be multiplied by 1/10.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF ANALUX

Analux represents and warrants to Pixel and Anro that, except as set forth in a numbered or lettered section of the letter addressed to Pixel and Anro from Analux and dated as of the date hereof (including all Schedules thereto) that has been delivered by Analux concurrently herewith (the "Analux Disclosure Letter") referencing a representation, warranty or statement herein, each of the representations, warranties and statements contained in the following Sections of this Article III is true and correct as of the date hereof and shall be true and correct on and as of the Closing Date. For all purposes of this Agreement, the statements contained in the Analux Disclosure Letter and its Schedules shall also be deemed to be representations and warranties made and given by Analux under this Article III.

Section 3.1. Organization and Good Standing. Analux is duly incorporated and presently subsisting under the laws of the Commonwealth of Pennsylvania. Analux has the corporate power and authority to own, operate and lease its properties and to carry on its business. Analux is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not individually or in the aggregate have a material adverse effect on the business, operations, financial condition, property, or affairs (a "Material Adverse Effect") of Analux. Analux is not in violation of its Articles of Incorporation or Bylaws, each as amended to date.

Section 3.2. Subsidiaries. Analux does not have any Subsidiary or any equity or ownership interest, whether direct or indirect, in any corporation, partnership, limited liability company, joint

venture or other business entity. Analux is not obligated to make nor is it bound by any agreement or obligation to make any investment in or capital contribution in or on behalf of any other entity.

Section 3.3. Power, Authorization and Validity.

3.3.1. Power and Authority. Subject to approval of the Merger and the adoption of this Agreement by the holders of the outstanding shares of Analux Common Stock (the "Analux Shareholder Approval"), Analux has all requisite corporate power and authority to enter into, execute, deliver and perform its obligations under this Agreement and to consummate the Merger. The Merger and the execution, delivery and performance by Analux of this Agreement and all other agreements, transactions and actions contemplated hereby or thereby, have been duly and validly approved and authorized by Analux's Board of Directors.

3.3.2. No Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative or other agency, commission or other governmental entity, department, division, unit, branch or authority (each, a "Governmental Authority"), or any other person, governmental or otherwise, is necessary or required to be made or obtained by Analux to enable Analux to lawfully execute and deliver, enter into, and perform its obligations under this Agreement or to consummate the Merger, except for: (a) any required filings under the PABCL, the FBCA or the NYBCL; or (b) such other filings, if any, as may be required in order for Analux to comply with applicable federal and state securities laws.

3.3.3. Enforceability. This Agreement has been duly executed and delivered by Analux. This Agreement is, or when executed by Pixel and Anro shall be, a valid and binding obligation of Analux, enforceable against Analux in accordance with its terms, subject to the effect of (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to rights of creditors generally and (b) rules of law and equity governing specific performance, injunctive relief and other equitable remedies.

Section 3.4. Capitalization of Analux.

3.4.1. Authorized and Outstanding Capital Stock of Analux. The authorized capital stock of Analux consists solely of 10,000,000 shares of Analux Common Stock and 40,000,000 shares of preferred stock, \$.01 par value per share. A total of 627,500 Analux Common Stock, and no shares of Analux preferred stock, are or will be issued and outstanding as of the Closing Date. The numbers of issued and outstanding shares of Analux Common Stock held by each Analux shareholder as of the Closing Date are set forth on Schedule 3.4.1 of the Analux Disclosure Letter. As of the Closing Date, each Analux shareholder has good and marketable title to that number of shares of Analux Common Stock as set forth beside such shareholder's name on Schedule 3.4.1 of the Analux Disclosure Letter, free and clear of any Encumbrance. All issued and outstanding shares of Analux Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by Analux in compliance with all requirements of applicable law and all requirements set forth in applicable agreements or instruments. There is no liability for dividends accrued and unpaid by Analux.

3.4.2. Options, Warrants and Rights. There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any shares of Analux capital stock or any securities or debt convertible into or exchangeable for Analux capital stock or obligating Analux to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or agreement. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of Analux. Analux is not under any obligation to register under the Securities Act any of its presently outstanding shares of capital stock or other securities or any stock or other securities that may be subsequently issued.

Section 3.5. No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the Merger or any other transaction contemplated hereby or thereby, shall conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach, impairment or violation of, or constitute a default under: (a) any provision of the Articles of Incorporation or Bylaws of Analux, each as currently in effect; (b) any federal, state, local or foreign judgment, writ, decree, order, statute, rule or regulation applicable to Analux or any of its assets or properties; or (c) any contract, agreement, arrangement, commitment or undertaking, including any instrument, permit, mortgage, lease, license, understanding, letter of intent or memorandum of understanding (whether written or oral), to which Analux is a party or by which Analux or any of its assets or properties are bound, except in the cases of clauses (b) and (c) where such conflict, termination, breach, impairment, violation or default would not have a Material Adverse Effect on Analux. The consummation of the Merger by Analux shall not require the consent, release, waiver or approval of any third party (including the consent of any party required to be obtained in order to keep any agreement between such party and Analux in effect following the Merger or to provide that Analux or the Surviving Corporation is not in breach or violation of any such agreement following the Merger), other than (i) Analux Shareholder Approval and (ii) the consent of the third parties set forth on Schedule 3.5 of the Analux Disclosure Letter.

Section 3.6. Litigation. There is no action, suit, arbitration, mediation, proceeding, claim or investigation pending against Analux (or against any officer, director, employee or agent of Analux in their capacity as such or relating to their employment, services or relationship with Analux) before any court, Governmental Authority, arbitrator or mediator, nor, to Analux's knowledge, has any such action, suit, arbitration, mediation, proceeding, claim or investigation been threatened. There is no judgment, decree, injunction, rule or order of any court, Governmental Authority or arbitrator outstanding against Analux. To Analux's knowledge, there is no basis for any person to assert a claim against Analux that would result in a Material Adverse Effect on Analux.

Section 3.7. Taxes. Analux has timely filed all federal, state, local and foreign tax and information returns required to be filed by it, has timely paid all taxes required to be paid by it for which payment is due, has made all necessary estimated tax payments, and has no liability for taxes in excess of the amount so paid. All such returns and reports are true, correct and complete. Analux has not received any notification from the Internal Revenue Service or any other taxing authority regarding any material issues that: (a) are currently pending before the Internal Revenue Service or any other taxing authority (including any sales or use taxing authority) regarding Analux; or (b)

have been raised by the Internal Revenue Service or other taxing authority and not yet finally resolved. No tax liens are currently in effect against any of Analux's assets other than liens that arise by operation of law for taxes not yet due and payable. Analux has withheld all taxes, including federal and state income taxes, FICA, Medicare, FUTA and other taxes, required to be withheld, and paid such withheld amounts to the appropriate taxing authority within the time prescribed by law.

Section 3.8. Financial Statements. Analux has delivered to Anro and Pixel as attachments to Schedule 3.8 of the Analux Disclosure Letter a balance sheet as of December 31, 2003 and August 31, 2004 and income statements for the 12 month period ending December 31, 2003 and the 8 month period ending August 31, 2004 (all such financial statements of Analux are hereinafter collectively referred to as the "Analux Financial Statements"). The Analux Financial Statements: (a) are derived from and are in accordance with the books and records of Analux; (b) fairly present the financial condition of Analux at the dates therein indicated and the results of operations for the periods therein specified; and (c) have been prepared on a basis consistent with prior periods. Analux has no debt, liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due, except for those (a) shown on the Analux balance sheet as of August 31, 2004 (the "Analux Balance Sheet") and (b) that may have been incurred after August 31, 2004 in the ordinary course of Analux's business consistent with its past practices.

Section 3.9. Title to Properties. Analux has good and marketable title to all of the assets and properties (including those shown on the Analux Balance Sheet) used in Analux's business, free and clear of all Encumbrances, other than liens for current taxes that are not yet due and payable or except as otherwise reflected in the Analux Financial Statements. Such assets are sufficient for the continued operation of Analux's business.

Section 3.10. Contracts and Commitments/Licenses and Permits. Schedules 3.10(a) through (j) of the Analux Disclosure Letter set forth a list of each of the following written or oral contracts, agreements, arrangements, commitments and undertakings, including leases, licenses, permits, assignments, mortgages, transactions, obligations or other instruments to which Analux is a party or to which Analux or any of its assets or properties is bound:

(a) any contract, agreement, arrangement, commitment or undertaking providing for payments (whether fixed, contingent or otherwise) by or to it in an aggregate amount of \$5,000 or more;

(b) any dealer, distributor, OEM (original equipment manufacturer), VAR (value added reseller), sales representative or similar contract, agreement, arrangement, commitment or undertaking under which any third party is authorized to sell, sublicense, lease, distribute, market or take orders for any of its products, services or technologies;

(c) any joint venture or partnership contract, agreement, arrangement, commitment or undertaking that has involved, or is reasonably expected to involve, a sharing of profits, expenses or losses with any other party;

(d) any contract, agreement, arrangement, commitment or undertaking for or relating to the employment by it of any officer, employee or consultant or any other type of contract, agreement, arrangement, commitment or undertaking with any of its officers, employees or consultants that is not immediately terminable by it without cost or other liability;

(e) any indenture, mortgage, trust deed, promissory note, loan agreement, security agreement, guarantee or other contract, agreement, arrangement, commitment or undertaking for or with respect to the borrowing of money, a line of credit or a leasing transaction;

(f) any lease or other contract, agreement, arrangement, commitment or undertaking under which it is lessee of or holds or operates any items of tangible personal property or real property owned by any third party;

(g) any contract, agreement, arrangement, commitment or undertaking that restricts it from engaging in any aspect of its business; from participating or competing in any line of business or market; from freely setting prices for its products, services or technologies (including most favored customer pricing provisions); from engaging in any business in any market or geographic area or that grants any exclusive rights to any party; or from soliciting potential employees, consultants, contractors or other suppliers or customers;

(h) any Analux IP Rights Agreement (as defined in Section 3.12.2);

(i) any contract, agreement, arrangement, commitment or undertaking relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any shares of its capital stock or other securities or any options, warrants or other rights to purchase or otherwise acquire any such shares of capital stock, other securities or options, warrants or other rights therefor; and

(j) any contract, agreement, arrangement, grant, development or funding arrangement, agreement or undertaking with or commitment to any Governmental Authority.

A true and complete copy of each agreement or document required by these subsections (a) through (j) of this Section 3.10 to be listed on Schedule 3.10 of the Analux Disclosure Letter (such agreements and documents being hereinafter collectively referred to as the "Analux Material Agreements") has been delivered to each of Anro's legal counsel and Pixel's legal counsel.

Section 3.11. No Default; No Restrictions. Analux is not, nor to Analux's knowledge is any other party, in material breach or default under any Analux Material Agreement. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) shall or would reasonably be expected to result in a violation or breach of any of the provisions of any Analux Material Agreement.

Section 3.12. Intellectual Property.

3.12.1. Analux (i) owns and has independently developed or (ii) has the valid right or license to use, possess, develop, sell, license, copy, distribute, market, advertise and/or dispose

of all Intellectual Property used in the conduct of Analux's business (such Intellectual Property being hereinafter collectively referred to as the "Analux IP Rights"). As used in this Section 3.12, "Analux-Owned IP Rights" means Analux IP Rights that are owned by or exclusively licensed to Analux; and "Analux-Licensed IP Rights" means Analux IP Rights that are not Analux-Owned IP Rights.

3.12.2. Neither the execution, delivery and performance of this Agreement or the certificates or articles of merger required under the PABCL, the NYBCL and the FBCA nor the consummation of the Merger and the other transactions contemplated by this Agreement shall, in accordance with their terms: (a) constitute a material breach of or default under any instrument, license or other contract, agreement, arrangement, commitment or undertaking governing any Analux IP Right (collectively, the "Analux IP Rights Agreements"); (b) cause the forfeiture or termination of, or give rise to a right of forfeiture or termination of, any Analux IP Right; or (c) materially impair the right of Analux or the Surviving Corporation to use, possess, sell or license any Analux IP Right or portion thereof.

3.12.3. To Analux's knowledge, no current or former employee, consultant or independent contractor of Analux: (a) is in material violation of any term or covenant of any employment contract, patent disclosure agreement, invention assignment agreement, nondisclosure agreement, noncompetition agreement or any other contract, agreement, arrangement, commitment or undertaking with any other party by virtue of such employee's, consultant's or independent contractor's being employed by, or performing services for, Analux or using trade secrets or proprietary information of others without permission; or (b) has developed any technology, software or other copyrightable, patentable or otherwise proprietary work for Analux that, to Analux's knowledge, is subject to any agreement under which such employee, consultant or independent contractor has assigned or otherwise granted to any third party any rights (including Intellectual Property) in or to such technology, software or other copyrightable, patentable or otherwise proprietary work.

3.12.4. Schedule 3.12.4 of the Analux Disclosure Letter contains a true and complete list of (i) any and all worldwide patents, copyrights, mask works, trademarks, service marks, Internet domain names or Internet or World Wide Web URLs or addresses with any Governmental Authority or quasi-governmental authority, including Internet domain name registries, made by or on behalf of Analux and (ii) all applications, registrations, filings and other formal written governmental actions made or taken pursuant to federal, state and foreign laws by Analux to secure, perfect or protect its interest in Analux IP Rights, including all patent applications, copyright applications and applications for registration of trademarks and service marks. All registered patents, trademarks, service marks, Internet domain names, Internet or World Wide Web URLs or addresses, and copyrights held by Analux are, to Analux's knowledge, valid, enforceable and subsisting, and Analux is the record owner thereof.

3.12.5. Analux owns all right, title and interest in and to all Analux-Owned IP Rights free and clear of all Encumbrances and licenses (other than licenses and rights listed in Schedule 3.12.5 of the Analux Disclosure Letter). The right, license and interest of Analux in and to all Analux-Licensed IP Rights are free and clear of all Encumbrances, licenses and rights (other than licenses and rights listed in Schedule 3.12.5 of the Analux Disclosure Letter).

3.12.6. Schedule 3.12.6 of the Analux Disclosure Letter contains a true and complete list of (i) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Analux is a party and pursuant to which any person may be authorized to use any Analux IP Rights, (ii) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Analux is a party and pursuant to which Analux is authorized to use any third party Intellectual Property, and (iii) all licenses, sublicenses, and other contracts, agreements, arrangements, commitments and undertakings as to which Analux and any Governmental Authority are parties to that relate to any Analux IP Rights and use thereof.

3.12.7. To Analux's knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any Analux IP Rights by any third party, including any employee or former employee of Analux. Analux has not agreed to indemnify any person for any infringement of any Intellectual Property of any third party by any product or service that has been sold, licensed to third parties, leased to third parties, supplied, marketed, distributed or provided by Analux.

3.12.8. Except as set forth in Schedule 3.12.8 of the Analux Disclosure Letter, no government funding, facilities of a university, college, other educational institution or research center, or funding from third parties (other than funds received in consideration for Analux's capital stock) was used in the development of the Analux-Owned IP Rights. Except for services covered in Schedule 3.12.8 of the Analux Disclosure Letter, no current or former employee, consultant or independent contractor of Analux who was involved in, or who contributed to, the creation or development of any Analux IP Rights has performed services for the government, for a university, college or other educational institution or for a research center during a period of time during which such employee, consultant or independent contractor was also performing services for Analux.

Section 3.13. Compliance with Laws. Analux has materially complied, and is now and at the Closing Date shall be in material compliance with, all federal, state or local laws, statutes, ordinances, regulations, and rules, and all orders, writs, injunctions, awards, judgments and decrees, applicable to Analux or any of its assets, properties and business (and any regulations promulgated thereunder).

Section 3.14. Certain Transactions and Agreements. To Analux's knowledge, none of the officers, directors, employees or shareholders of Analux, nor any member of their immediate families, has any indirect ownership interest in any firm or corporation that competes with, or does business with, or has any contractual arrangement with, Analux (except with respect to any interest in Anro, Pixel or less than 2% of the stock of any corporation whose stock is publicly traded). None of said officers, directors, employees or shareholders or any member of their immediate families, is a party to, or otherwise directly or indirectly interested in, any contract, agreement, arrangement, commitment or undertaking with Analux, except for normal compensation for services as an officer, director or employee thereof. None of said officers, directors, employees, shareholders or family members has any interest in any property, real or personal, tangible or intangible (including any Analux IP Rights or any other Intellectual Property), that is used in, or that pertains to, Analux's business, except for the rights of a shareholder under applicable law.

Section 3.15. Employees.

3.15.1. Analux is in compliance in all material respects with all applicable laws, contracts, agreements, arrangements, commitments and undertakings relating to employment, employment practices, immigration, wages, hours, and terms and conditions of employment, including employee compensation matters, and has correctly classified employees as exempt employees and nonexempt employees under the Fair Labor Standards Act. A list of all employees, officers and consultants of Analux and their current title and/or job description and compensation is set forth on Schedule 3.15.1 of the Analux Disclosure Letter. Analux does not have any employment or consulting contracts, agreements, arrangements, commitments or undertakings currently in effect that are not terminable at will (other than agreements with the sole purpose of providing for the confidentiality of proprietary information or assignment of inventions).

3.15.2. To Analux's knowledge, no employee or consultant of Analux is in material violation of (a) any term of any employment or consulting contract, agreement, arrangement, commitment or undertaking or (b) any term of any other contract, agreement, arrangement, commitment or undertaking or any restrictive covenant relating to the right of any such employee or consultant to be employed by Analux or to use trade secrets or proprietary information of others. The employment of any employee or consultant by Analux does not subject it to any liability to any third party.

Section 3.16. No Brokers. Neither Analux nor any affiliate of Analux is obligated for the payment of any fees or expenses of any investment banker, broker, finder or similar party in connection with the origin, negotiation or execution of this Agreement or in connection with the Merger or any other transaction contemplated by this Agreement. None of Analux, Anro or Pixel shall incur any liability, either directly or indirectly, to any such investment banker, broker, finder or similar party as a result of this Agreement, the Merger or any act or omission of Analux or any of its employees, officers, directors, shareholders, agents or affiliates.

Section 3.17. Books and Records. The books, records and accounts of Analux (a) are in all material respects true, complete and correct, (b) have been maintained in accordance with good business practices on a basis consistent with prior years, (c) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets and properties of Analux, and (d) accurately and fairly reflect the basis for Analux Financial Statements.

Section 3.18. Insurance. Since its organization, Analux has not maintained, and now does not maintain, policies of insurance or bonds of any type.

Section 3.19. Environmental Matters. Analux and its predecessors and affiliates are in material compliance with all applicable Environmental Laws, which compliance includes the possession by Analux of all permits and other governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof. Analux has not received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens groups, employee or otherwise, that alleges that Analux is not in compliance with any Environmental Law, and there are no circumstances that may prevent or interfere with the

compliance by Analux with any current Environmental Law in the future. To Analux's knowledge, no current or prior owner of any property leased or possessed by Analux has received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens group, employee or otherwise, that alleges that such current or prior owner or Analux is not in compliance with any Environmental Law. All governmental authorizations currently held by Analux pursuant to any Environmental Law (if any) are identified in Schedule 3.19 of Analux Disclosure Letter.

Section 3.20. Disclosure. This Agreement (including its Exhibits and Schedules and the Analux Disclosure Letter) contains no untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which such statements were made, not misleading. Except as specifically set forth in this Agreement or the Analux Disclosure Letter, there are no facts or circumstances of which Analux is aware that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Analux.

ARTICLE IV **REPRESENTATIONS AND WARRANTIES OF ANRO**

Anro represents and warrants to Pixel and Analux that, except as set forth in a numbered or lettered section of the letter addressed to Pixel and Analux from Anro and dated as of the date hereof (including all Schedules thereto) that has been delivered by Anro to Pixel and Analux concurrently herewith (the "Anro Disclosure Letter") referencing a representation, warranty or statement herein, each of the representations, warranties and statements contained in the following Sections of this Article IV is true and correct as of the date hereof and shall be true and correct on and as of the Closing Date. For all purposes of this Agreement, the statements contained in the Anro Disclosure Letter and its Schedules shall also be deemed to be representations and warranties made and given by Anro under this Article IV.

Section 4.1. Organization and Good Standing. Anro is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. Anro has the corporate power and authority to own, operate and lease its properties and to carry on its business. Anro is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not individually or in the aggregate have a Material Adverse Effect on Anro. Anro is not in violation of its Articles of Incorporation or Bylaws, each as amended to date.

Section 4.2. Subsidiaries. Anro does not have any Subsidiary or any equity or ownership interest, whether direct or indirect, in any corporation, partnership, limited liability company, joint venture or other business entity. Anro is not obligated to make nor is it bound by any agreement or obligation to make any investment in or capital contribution in or on behalf of any other entity.

Section 4.3. Power, Authorization and Validity.

4.3.1. Power and Authority. Subject to approval of the Merger and the adoption of this Agreement by the holders of the outstanding shares of Anro Common Stock (the "Anro Shareholder Approval"), Anro has all requisite corporate power and authority to enter into, execute, deliver and perform its obligations under this Agreement and to consummate the Merger. The Merger and the execution, delivery and performance by Anro of this Agreement and all other agreements, transactions and actions contemplated hereby or thereby, have been duly and validly approved and authorized by Anro's Board of Directors.

4.3.2. No Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority, or any other person, governmental or otherwise, is necessary or required to be made or obtained by Anro to enable Anro to lawfully execute and deliver, enter into, and perform its obligations under this Agreement or to consummate the Merger, except for: (a) any required filings under the PABCL, the FBCA or the NYBCL; or (b) such other filings, if any, as may be required in order for Anro to comply with applicable federal and state securities laws.

4.3.3. Enforceability. This Agreement has been duly executed and delivered by Anro. This Agreement is, or when executed by Pixel and Analux shall be, a valid and binding obligation of Anro, enforceable against Anro in accordance with its terms, subject to the effect of (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to rights of creditors generally and (b) rules of law and equity governing specific performance, injunctive relief and other equitable remedies.

Section 4.4. Capitalization of Anro.

4.4.1. Authorized and Outstanding Capital Stock of Anro. The authorized capital stock of Anro consists solely of 137,464 shares of Anro Common Stock. A total of 200,918 shares of Anro Common Stock are or will be issued and outstanding as of the Closing Date. The numbers of issued and outstanding shares of Anro Common Stock held by each Anro shareholder as of the Closing Date are set forth on Schedule 4.4.1 of the Anro Disclosure Letter. As of the Closing Date, each Anro shareholder has good and marketable title to that number of shares of Anro Common Stock as set forth beside such shareholder's name on Schedule 4.4.1 of the Anro Disclosure Letter, free and clear of any Encumbrance. All issued and outstanding shares of Anro Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by Anro in compliance with all requirements of applicable law and all requirements set forth in applicable agreements or instruments. There is no liability for dividends accrued and unpaid by Anro.

4.4.2. Options, Warrants and Rights. A total of 6,546 shares of Anro Common Stock are subject to outstanding options as of the date hereof. Schedule 4.4.2(a) of the Anro Disclosure Letter sets forth, for each Anro option, (i) the name of the holder of such option, (ii) the exercise price per share of such option, (iii) the number of shares covered by such option, (iv) the vesting schedule for such option, (v) the extent such option is vested as of the date hereof, and (vi)

whether the exercisability of such option shall be accelerated in any manner by any of the transactions contemplated by this Agreement or upon any other event or condition and the extent of acceleration, if any. Schedule 4.4.2(b) of the Anro Disclosure Letter sets forth, for each warrant issued by Anro, (i) the name of the holder of such warrant, (ii) the exercise price per share of such warrant, and (iii) the number of shares covered by such warrant. Schedule 4.4.2(c) of the Anro Disclosure Letter sets forth all holders of unvested Anro shares, and for each such shareholder, the number of unvested Anro shares held, the terms of Anro's rights to repurchase such unvested Anro shares, the schedule on which such rights lapse and whether such repurchase rights lapse in full or in part as a result of any of the transactions contemplated by this Agreement or upon any other event or condition. All outstanding Anro options have been issued and granted in compliance with all requirements of applicable law and all requirements set forth in applicable agreements or instruments. Except for options and warrants identified above, there are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any shares of Anro capital stock or any securities or debt convertible into or exchangeable for Anro capital stock or obligating Anro to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or agreement. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of Anro. Anro is not under any obligation to register under the Securities Act any of its presently outstanding shares of capital stock or other securities or any stock or other securities that may be subsequently issued.

Section 4.5. No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the Merger or any other transaction contemplated hereby or thereby, shall conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach, impairment or violation of, or constitute a default under: (a) any provision of the Articles of Incorporation or Bylaws of Anro, each as currently in effect; (b) any federal, state, local or foreign judgment, writ, decree, order, statute, rule or regulation applicable to Anro or any of its assets or properties; or (c) any contract, agreement, arrangement, commitment or undertaking, including any instrument, permit, mortgage, lease, license, understanding, letter of intent or memorandum of understanding (whether written or oral), to which Anro is a party or by which Anro or any of its assets or properties are bound, except in the cases of clauses (b) and (c) where such conflict, termination, breach, impairment, violation or default would not have a Material Adverse Effect on Anro. The consummation of the Merger by Anro shall not require the consent, release, waiver or approval of any third party (including the consent of any party required to be obtained in order to keep any agreement between such party and Anro in effect following the Merger or to provide that Anro or the Surviving Corporation is not in breach or violation of any such agreement following the Merger), other than Anro Shareholder Approval.

Section 4.6. Litigation. There is no action, suit, arbitration, mediation, proceeding, claim or investigation pending against Anro (or against any officer, director, employee or agent of Anro in their capacity as such or relating to their employment, services or relationship with Anro) before any court, Governmental Authority, arbitrator or mediator, nor, to Anro's knowledge, has any such action, suit, arbitration, mediation, proceeding, claim or investigation been threatened. There is no judgment, decree, injunction, rule or order of any court, Governmental Authority or arbitrator

outstanding against Anro. To Anro's knowledge, there is no basis for any person to assert a claim against Anro that would result in a Material Adverse Effect on Anro.

Section 4.7. Taxes. Anro has timely filed all federal, state, local and foreign tax and information returns required to be filed by it, has timely paid all taxes required to be paid by it for which payment is due, has made all necessary estimated tax payments, and has no liability for taxes in excess of the amount so paid. All such returns and reports are true, correct and complete. Anro has not received any notification from the Internal Revenue Service or any other taxing authority regarding any material issues that: (a) are currently pending before the Internal Revenue Service or any other taxing authority (including any sales or use taxing authority) regarding Anro; or (b) have been raised by the Internal Revenue Service or other taxing authority and not yet finally resolved. No tax liens are currently in effect against any of Anro's assets other than liens that arise by operation of law for taxes not yet due and payable. Anro has withheld all taxes, including federal and state income taxes, FICA, Medicare, FUTA and other taxes, required to be withheld, and paid such withheld amounts to the appropriate taxing authority within the time prescribed by law.

Section 4.8. Financial Statements. Anro has delivered to Analux and Pixel as attachments to Schedule 4.8 of the Anro Disclosure Letter a balance sheet as of December 31, 2003 and August 31, 2004 and income statements for the 12 month period ending December 31, 2003 and the 8 month period ending August 31, 2004 (all such financial statements of Anro and any notes thereto are hereinafter collectively referred to as the "Anro Financial Statements"). The Anro Financial Statements: (a) are derived from and are in accordance with the books and records of Anro; (b) fairly present the financial condition of Anro at the dates therein indicated and the results of operations for the periods therein specified; and (c) have been prepared on a basis consistent with prior periods. Anro has no debt, liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due, except for those (a) shown on Anro's balance sheet as of August 31, 2004 included in the Anro Financial Statements (the "Anro Balance Sheet") and (b) that may have been incurred after August 31, 2004 in the ordinary course of Anro's business consistent with its past practices.

Section 4.9. Title to Properties. Anro has good and marketable title to all of the assets and properties (including those shown on the Anro Balance Sheet) used in Anro business, free and clear of all Encumbrances, other than liens for current taxes that are not yet due and payable or except as otherwise reflected in the Anro Financial Statements. Such assets are sufficient for the continued operation of Anro's business.

Section 4.10. Contracts and Commitments/Licenses and Permits. Schedules 4.10 (a) through (j) of the Anro Disclosure Letter sets forth a list of each of the following written or oral contracts, agreements, arrangements, commitments and undertakings, including leases, licenses, permits, assignments, mortgages, transactions, obligations or other instruments to which Anro is a party or to which Anro or any of its assets or properties is bound:

(a) any contract, agreement, arrangement, commitment or undertaking providing for payments (whether fixed, contingent or otherwise) by or to it in an aggregate amount of \$5,000 or more;

(b) any dealer, distributor, OEM (original equipment manufacturer), VAR (value added reseller), sales representative or similar contract, agreement, arrangement, commitment or undertaking under which any third party is authorized to sell, sublicense, lease, distribute, market or take orders for any of its products, services or technologies;

(c) any joint venture or partnership contract, agreement, arrangement, commitment or undertaking that has involved, or is reasonably expected to involve, a sharing of profits, expenses or losses with any other party;

(d) any contract, agreement, arrangement, commitment or undertaking for or relating to the employment by it of any officer, employee or consultant or any other type of contract, agreement, arrangement, commitment or undertaking with any of its officers, employees or consultants that is not immediately terminable by it without cost or other liability;

(e) any indenture, mortgage, trust deed, promissory note, loan agreement, security agreement, guarantee or other contract, agreement, arrangement, commitment or undertaking for or with respect to the borrowing of money, a line of credit or a leasing transaction;

(f) any lease or other contract, agreement, arrangement, commitment or undertaking under which it is lessee of or holds or operates any items of tangible personal property or real property owned by any third party;

(g) any contract, agreement, arrangement, commitment or undertaking that restricts it from engaging in any aspect of its business; from participating or competing in any line of business or market; from freely setting prices for its products, services or technologies (including most favored customer pricing provisions); from engaging in any business in any market or geographic area or that grants any exclusive rights to any party; or from soliciting potential employees, consultants, contractors or other suppliers or customers;

(h) any Anro IP Rights Agreement (as defined in Section 4.12.2);

(i) any contract, agreement, arrangement, commitment or undertaking relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any shares of its capital stock or other securities or any options, warrants or other rights to purchase or otherwise acquire any such shares of capital stock, other securities or options, warrants or other rights therefor; and

(j) any contract, agreement, arrangement, grant, development or funding arrangement, agreement or undertaking with or commitment to any Governmental Authority.

A true and complete copy of each agreement or document required by these subsections (a) through (j) of this Section 4.10 to be listed on Schedule 4.10 of the Anro Disclosure Letter (such agreements and documents being hereinafter collectively referred to as the "Anro Material Agreements") has been delivered to each of Analux's legal counsel and Pixel's legal counsel.

Section 4.11. No Default; No Restrictions. To Anro's knowledge it is not, nor is any other party, in material breach or default under any Anro Material Agreement. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) shall or would reasonably be expected to result in a violation or breach of any of the provisions of any Anro Material Agreement.

Section 4.12. Intellectual Property.

4.12.1. Anro (i) owns and has independently developed or (ii) has the valid right or license to use, possess, develop, sell, license, copy, distribute, market, advertise and/or dispose of all Intellectual Property used in the conduct of Anro's business (such Intellectual Property being hereinafter collectively referred to as the "Anro IP Rights"). As used in this Section 4.12, "Anro-Owned IP Rights" means Anro IP Rights that are owned by or exclusively licensed to Anro; and "Anro-Licensed IP Rights" means Anro IP Rights that are not Anro-Owned IP Rights.

4.12.2. Neither the execution, delivery and performance of this Agreement or the certificates or articles of merger required under the PABCL, the NYBCL and the FBCA nor the consummation of the Merger and the other transactions contemplated by this Agreement shall, in accordance with their terms: (a) constitute a material breach of or default under any instrument, license or other contract, agreement, arrangement, commitment or undertaking governing any Anro IP Right (collectively, the "Anro IP Rights Agreements"); (b) cause the forfeiture or termination of, or give rise to a right of forfeiture or termination of, any Anro IP Right; or (c) materially impair the right of Anro to use, possess, sell or license any Anro IP Right or portion thereof.

4.12.3. To Anro's knowledge, no current or former employee, consultant or independent contractor of Anro: (a) is in material violation of any term or covenant of any employment contract, patent disclosure agreement, invention assignment agreement, nondisclosure agreement, noncompetition agreement or any other contract, agreement, arrangement, commitment or undertaking with any other party by virtue of such employee's, consultant's or independent contractor's being employed by, or performing services for, Anro or using trade secrets or proprietary information of others without permission; or (b) has developed any technology, software or other copyrightable, patentable or otherwise proprietary work for Anro that, to Anro's knowledge, is subject to any agreement under which such employee, consultant or independent contractor has assigned or otherwise granted to any third party any rights (including Intellectual Property) in or to such technology, software or other copyrightable, patentable or otherwise proprietary work.

4.12.4. Schedule 4.12.4 of the Anro Disclosure Letter contains a true and complete list of (i) any and all worldwide patents, copyrights, mask works, trademarks, service marks, Internet domain names or Internet or World Wide Web URLs or addresses with any Governmental Authority or quasi-governmental authority, including Internet domain name registries, made by or on behalf of Anro and (ii) all applications, registrations, filings and other formal written governmental actions made or taken pursuant to federal, state and foreign laws by Anro to secure, perfect or protect its interest in Anro IP Rights, including all patent applications, copyright applications and applications for registration of trademarks and service marks. All registered patents, trademarks, service marks, Internet domain names, Internet or World Wide Web URLs or addresses, and copyrights held by

Anro are, to Anro's knowledge, valid, enforceable and subsisting, and Anro is the record owner thereof.

4.12.5. Anro owns all right, title and interest in and to all Anro-Owned IP Rights free and clear of all Encumbrances and licenses (other than licenses and rights listed in Schedule 4.12.5 of the Anro Disclosure Letter). The right, license and interest of Anro in and to all Anro-Licensed IP Rights are free and clear of all Encumbrances, licenses and rights (other than licenses and rights listed in Schedule 4.12.5 of the Anro Disclosure Letter).

4.12.6. Schedule 4.12.6 of the Anro Disclosure Letter contains a true and complete list of (i) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Anro is a party and pursuant to which any person may be authorized to use any Anro IP Rights, (ii) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Anro is a party and pursuant to which Anro is authorized to use any third party Intellectual Property, and (iii) all licenses, sublicenses, and other contracts, agreements, arrangements, commitments and undertakings as to which Anro and any Governmental Authority are parties to that relate to any Anro IP Rights and use thereof.

4.12.7. To Anro's knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any Anro IP Rights by any third party, including any employee or former employee of Anro. Anro has not agreed to indemnify any person for any infringement of any Intellectual Property of any third party by any product or service that has been sold, licensed to third parties, leased to third parties, supplied, marketed, distributed or provided by Anro.

4.12.8. Except as set forth in Schedule 4.12.8 of the Anro Disclosure Letter, no government funding, facilities of a university, college, other educational institution or research center, or funding from third parties (other than funds received in consideration for Anro's capital stock) was used in the development of the Anro-Owned IP Rights. Except for services covered in Schedule 4.12.8 of the Anro Disclosure Letter, no current or former employee, consultant or independent contractor of Anro who was involved in, or who contributed to, the creation or development of any Anro IP Rights has performed services for the government, for a university, college or other educational institution or for a research center during a period of time during which such employee, consultant or independent contractor was also performing services for Anro.

Section 4.13. Compliance with Laws. Anro has materially complied, and is now and at the Closing Date shall be in material compliance with, all federal, state or local laws, statutes, ordinances, regulations, and rules, and all orders, writs, injunctions, awards, judgments and decrees, applicable to Anro or any of its assets, properties and business (and any regulations promulgated thereunder).

Section 4.14. Certain Transactions and Agreements. To Anro's knowledge, none of the officers, directors, employees or shareholders of Anro, nor any member of their immediate families, has any indirect ownership interest in any firm or corporation that competes with, or does business with, or has any contractual arrangement with, Anro (except with respect to any interest in Analux, Pixel or less than 2% of the stock of any corporation whose stock is publicly traded). None of said

officers, directors, employees or shareholders or any member of their immediate families, is a party to, or otherwise directly or indirectly interested in, any contract, agreement, arrangement, commitment or undertaking with Anro, except for normal compensation for services as an officer, director or employee thereof. None of said officers, directors, employees, shareholders or family members has any interest in any property, real or personal, tangible or intangible (including any Anro IP Rights or any other Intellectual Property), that is used in, or that pertains to, Anro's business, except for the rights of a shareholder under applicable law.

Section 4.15. Employees.

4.15.1. Anro is in compliance in all material respects with all applicable laws, contracts, agreements, arrangements, commitments and undertakings relating to employment, employment practices, immigration, wages, hours, and terms and conditions of employment, including employee compensation matters, and has correctly classified employees as exempt employees and nonexempt employees under the Fair Labor Standards Act. A list of all employees, officers and consultants of Anro and their current title and/or job description and compensation is set forth on Schedule 4.15.1 of the Anro Disclosure Letter. Anro does not have any employment or consulting contracts, agreements, arrangements, commitments or undertakings currently in effect that are not terminable at will (other than agreements with the sole purpose of providing for the confidentiality of proprietary information or assignment of inventions).

4.15.2. To Anro's knowledge, no employee or consultant of Anro is in material violation of (a) any term of any employment or consulting contract, agreement, arrangement, commitment or undertaking or (b) any term of any other contract, agreement, arrangement, commitment or undertaking or any restrictive covenant relating to the right of any such employee or consultant to be employed by Anro or to use trade secrets or proprietary information of others. The employment of any employee or consultant by Anro does not subject it to any liability to any third party.

Section 4.16. No Brokers. Neither Anro nor any affiliate of Anro is obligated for the payment of any fees or expenses of any investment banker, broker, finder or similar party in connection with the origin, negotiation or execution of this Agreement or in connection with the Merger or any other transaction contemplated by this Agreement. None of Analux, Anro or Pixel shall incur any liability, either directly or indirectly, to any such investment banker, broker, finder or similar party as a result of this Agreement, the Merger or any act or omission of Anro or any of its employees, officers, directors, shareholders, agents or affiliates.

Section 4.17. Books and Records. The books, records and accounts of Anro (a) are in all material respects true, complete and correct, (b) have been maintained in accordance with good business practices on a basis consistent with prior years, (c) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets and properties of Anro, and (d) accurately and fairly reflect the basis for the Anro Financial Statements.

Section 4.18. Insurance. Since its organization, Anro has maintained, and now maintains, policies of insurance and bonds of the type and in amounts reasonably and customarily carried by persons conducting businesses or owning assets similar in type and size to those of Anro, including

all legally required workers' compensation insurance and errors and omissions, casualty, fire and general liability insurance. There is no material claim pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums due and payable under all such policies and bonds have been timely paid, and Anro is otherwise in material compliance with the terms of such policies and bonds. Anro has no knowledge of any threatened termination of, or material premium increase with respect to, any of such policies or bonds. All policies of insurance and bonds now held by Anro are set forth in Schedule 4.18 of the Anro Disclosure Letter, together with the name of the insurer under each policy or bond, the type of policy or bond, the coverage amount and any applicable deductible.

Section 4.19. Environmental Matters. Anro and its predecessors and affiliates are in material compliance with all applicable Environmental Laws, which compliance includes the possession by Anro of all permits and other governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof. Anro has not received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens groups, employee or otherwise, that alleges that Anro is not in compliance with any Environmental Law, and there are no circumstances that may prevent or interfere with the compliance by Anro with any current Environmental Law in the future. To Anro's knowledge, no current or prior owner of any property leased or possessed by Anro has received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens group, employee or otherwise, that alleges that such current or prior owner or Anro is not in compliance with any Environmental Law. All governmental authorizations currently held by Analux pursuant to any Environmental Law (if any) are identified in Schedule 4.19 of the Anro Disclosure Letter.

Section 4.20. Disclosure. This Agreement (including its Exhibits and Schedules and the Anro Disclosure Letter) contains no untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which such statements were made, not misleading. Except as specifically set forth in this Agreement or the Anro Disclosure Letter, there are no facts or circumstances of which Anro is aware that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Anro.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PIXEL

Pixel represents and warrants to Anro and Analux that, except as set forth in a numbered or lettered section of the letter addressed to Anro and Analux from Pixel and dated as of the date hereof (including all Schedules thereto) that has been delivered by Pixel to Anro and Analux concurrently herewith (the "Pixel Disclosure Letter") referencing a representation, warranty or statement herein, each of the representations, warranties and statements contained in the following Sections of this Article V is true and correct as of the date hereof and shall be true and correct on and as of the Closing Date. For all purposes of this Agreement, the statements contained in the Pixel Disclosure Letter and its Schedules shall also be deemed to be representations and warranties made and given by Pixel under this Article V.

Section 5.1. Organization and Good Standing. Pixel is a corporation duly organized, validly existing and in good standing under the laws of the State of New York. Pixel has the corporate power and authority to own, operate and lease its properties and to carry on its business. Pixel is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not individually or in the aggregate have a Material Adverse Effect on Pixel. Pixel is not in violation of its Certificate of Incorporation or Bylaws, each as amended to date.

Section 5.2. Subsidiaries. Pixel does not have any Subsidiary or any equity or ownership interest, whether direct or indirect, in any corporation, partnership, limited liability company, joint venture or other business entity. Pixel is not obligated to make nor is it bound by any agreement or obligation to make any investment in or capital contribution in or on behalf of any other entity.

Section 5.3. Power, Authorization and Validity.

5.3.1. Power and Authority. Subject to approval of the Merger and the adoption of this Agreement by the holders of the outstanding shares of Pixel Common Stock (the "Pixel Shareholder Approval"), Pixel has all requisite corporate power and authority to enter into, execute, deliver and perform its obligations under this Agreement and to consummate the Merger. The Merger and the execution, delivery and performance by Pixel of this Agreement and all other agreements, transactions and actions contemplated hereby or thereby, have been duly and validly approved and authorized by Pixel's Board of Directors.

5.3.2. No Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority, or any other person, governmental or otherwise, is necessary or required to be made or obtained by Pixel to enable Pixel to lawfully execute and deliver, enter into, and perform its obligations under this Agreement or to consummate the Merger, except for: (a) any required filings under the PABCL, the FBCA or the NYBCL; or (b) such other filings, if any, as may be required in order for Pixel to comply with applicable federal and state securities laws.

5.3.3. Enforceability. This Agreement has been duly executed and delivered by Pixel. This Agreement is, or when executed by Anro and Analux shall be, a valid and binding obligation of Pixel, enforceable against Pixel in accordance with its terms, subject to the effect of (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to rights of creditors generally and (b) rules of law and equity governing specific performance, injunctive relief and other equitable remedies.

Section 5.4. Capitalization of Pixel.

5.4.1. Authorized and Outstanding Capital Stock of Pixel. The authorized capital stock of Pixel consists solely of 1,000,000 shares of Pixel Common Stock. A total of 192,950 shares of Pixel Common Stock are or will be issued and outstanding as of the Closing Date. The numbers of issued and outstanding shares of Pixel Common Stock held by each Pixel shareholder as of the Closing Date are set forth on Schedule 5.4.1 of the Pixel Disclosure Letter. As

of the Closing Date, each Pixel shareholder has good and marketable title to that number of shares of Pixel Common Stock as set forth beside such shareholder's name on Schedule 5.4.1 of the Pixel Disclosure Letter, free and clear of any Encumbrance. All issued and outstanding shares of Pixel Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission, right of first refusal or preemptive right, and have been offered, issued, sold and delivered by Pixel in compliance with all requirements of applicable law and all requirements set forth in applicable agreements or instruments. There is no liability for dividends accrued and unpaid by Pixel.

5.4.2. Options, Warrants and Rights. There are no stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any shares of Pixel capital stock or any securities or debt convertible into or exchangeable for Pixel capital stock or obligating Pixel to grant, extend or enter into any such option, warrant, call, right, commitment, conversion privilege or preemptive or other right or agreement. There are no voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights or other restrictions applicable to any outstanding securities of Pixel. Pixel is not under any obligation to register under the Securities Act any of its presently outstanding shares of Pixel Common Stock or other securities or other securities that may be subsequently issued.

Section 5.5. No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the Merger or any other transaction contemplated hereby or thereby, shall conflict with, or (with or without notice or lapse of time, or both) result in a termination, breach, impairment or violation of, or constitute a default under: (a) any provision of the Certificate of Incorporation or Bylaws of Pixel, each as currently in effect; (b) any federal, state, local or foreign judgment, writ, decree, order, statute, rule or regulation applicable to Pixel or any of its assets or properties; or (c) any contract, agreement, arrangement, commitment or undertaking, including any instrument, permit, mortgage, lease, license, understanding, letter of intent or memorandum of understanding (whether written or oral), to which Pixel is a party or by which Pixel or any of its assets or properties are bound, except in the cases of clauses (b) and (c) where such conflict, termination, breach, impairment, violation or default would not have a Material Adverse Effect on Pixel. The consummation of the Merger by Pixel shall not require the consent, release, waiver or approval of any third party (including the consent of any party required to be obtained in order to keep any agreement between such party and Pixel in effect following the Merger or to provide that Pixel or the Surviving Corporation is not in breach or violation of any such agreement following the Merger), other than Pixel Shareholder Approval.

Section 5.6. Litigation. There is no action, suit, arbitration, mediation, proceeding, claim or investigation pending against Pixel (or against any officer, director, employee or agent of Pixel in their capacity as such or relating to their employment, services or relationship with Pixel) before any court, Governmental Authority, arbitrator or mediator, nor, to Pixel's knowledge, has any such action, suit, arbitration, mediation, proceeding, claim or investigation been threatened. There is no judgment, decree, injunction, rule or order of any court, Governmental Authority or arbitrator outstanding against Pixel. To Pixel's knowledge, there is no basis for any person to assert a claim against Pixel that would result in a Material Adverse Effect on Pixel.

Section 5.7. Taxes. Pixel has timely filed all federal, state, local and foreign tax and information returns required to be filed by it, has timely paid all taxes required to be paid by it for which payment is due, has made all necessary estimated tax payments, and has no liability for taxes in excess of the amount so paid. All such returns and reports are true, correct and complete. Pixel has not received any notification from the Internal Revenue Service or any other taxing authority regarding any material issues that: (a) are currently pending before the Internal Revenue Service or any other taxing authority (including any sales or use taxing authority) regarding Pixel; or (b) have been raised by the Internal Revenue Service or other taxing authority and not yet finally resolved. No tax liens are currently in effect against any of Pixel's assets other than liens that arise by operation of law for taxes not yet due and payable. Pixel has withheld all taxes, including federal and state income taxes, FICA, Medicare, FUTA and other taxes, required to be withheld, and paid such withheld amounts to the appropriate taxing authority within the time prescribed by law.

Section 5.8. Financial Statements. Pixel has delivered to Anro and Analux as attachments to Schedule 5.8 of the Pixel Disclosure Letter a balance sheet as of December 31, 2003 and August 31, 2004 and income statements for the 12 month period ending December 31, 2003 and the 8 month period ending August 31, 2004 (all such financial statements of Pixel and any notes thereto are hereinafter collectively referred to as the "Pixel Financial Statements"). The Pixel Financial Statements: (a) are derived from and are in accordance with the books and records of Pixel; (b) fairly present the financial condition of Pixel at the dates therein indicated and the results of operations for the periods therein specified; and (c) have been prepared on a basis consistent with prior periods. Pixel has no debt, liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due, except for those (a) shown on Pixel's balance sheet as of August 31, 2004 included in the Pixel Financial Statements (the "Pixel Balance Sheet") and (b) that may have been incurred after August 31, 2004 in the ordinary course of Pixel's business consistent with its past practices.

Section 5.9. Title to Properties. Pixel has good and marketable title to all of the assets and properties (including those shown on the Pixel Balance Sheet) used in the Pixel business, free and clear of all Encumbrances, other than liens for current taxes that are not yet due and payable or except as otherwise reflected in the Pixel Financial Statements. Such assets are sufficient for the continued operation of the Pixel business.

Section 5.10. Contracts and Commitments/Licenses and Permits. Schedules 5.10(a) through (j) of the Pixel Disclosure Letter sets forth a list of each of the following written or oral contracts, agreements, arrangements, commitments and undertakings, including leases, licenses, permits, assignments, mortgages, transactions, obligations or other instruments to which Pixel is a party or to which Pixel or any of its assets or properties is bound:

(a) any contract, agreement, arrangement, commitment or undertaking providing for payments (whether fixed, contingent or otherwise) by or to it in an aggregate amount of \$5,000 or more;

(b) any dealer, distributor, OEM (original equipment manufacturer), VAR (value added reseller), sales representative or similar contract, agreement, arrangement, commitment or

undertaking under which any third party is authorized to sell, sublicense, lease, distribute, market or take orders for any of its products, services or technologies;

(c) any joint venture or partnership contract, agreement, arrangement, commitment or undertaking that has involved, or is reasonably expected to involve, a sharing of profits, expenses or losses with any other party;

(d) any contract, agreement, arrangement, commitment or undertaking for or relating to the employment by it of any officer, employee or consultant or any other type of contract, agreement, arrangement, commitment or undertaking with any of its officers, employees or consultants that is not immediately terminable by it without cost or other liability;

(e) any indenture, mortgage, trust deed, promissory note, loan agreement, security agreement, guarantee or other contract, agreement, arrangement, commitment or undertaking for or with respect to the borrowing of money, a line of credit or a leasing transaction;

(f) any lease or other contract, agreement, arrangement, commitment or undertaking under which it is lessee of or holds or operates any items of tangible personal property or real property owned by any third party;

(g) any contract, agreement, arrangement, commitment or undertaking that restricts it from engaging in any aspect of its business; from participating or competing in any line of business or market; from freely setting prices for its products, services or technologies (including most favored customer pricing provisions); from engaging in any business in any market or geographic area or that grants any exclusive rights to any party; or from soliciting potential employees, consultants, contractors or other suppliers or customers;

(h) any Pixel IP Rights Agreement (as defined in Section 5.12.2);

(i) any contract, agreement, arrangement, commitment or undertaking relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any shares of its capital stock or other securities or any options, warrants or other rights to purchase or otherwise acquire any such shares of capital stock, other securities or options, warrants or other rights therefor, except for those contracts, agreements, arrangements, commitments or undertakings conforming to the standard agreement under the Pixel Deferred Compensation Plan; and

(j) any contract, agreement, arrangement, grant, development or funding arrangement, agreement or undertaking with or commitment to any Governmental Authority.

A true and complete copy of each agreement or document required by these subsections (a) through (j) of this Section 5.10 to be listed on Schedule 5.10 of the Pixel Disclosure Letter (such agreements and documents being hereinafter collectively referred to as the "Pixel Material Agreements") has been delivered to each of Anro's legal counsel and Analux's legal counsel.

Section 5.11. No Default; No Restrictions. To Pixel's knowledge it is not, nor is any other party, in material breach or default under any Pixel Material Agreement. No event has occurred,

and no circumstance or condition exists, that (with or without notice or lapse of time, or both) shall or would reasonably be expected to result in a violation or breach of any of the provisions of any Pixel Material Agreement.

Section 5.12. Intellectual Property.

5.12.1. Pixel (i) owns and has independently developed or (ii) has the valid right or license to use, possess, develop, sell, license, copy, distribute, market, advertise and/or dispose of all Intellectual Property used in the conduct of the Pixel business (such Intellectual Property being hereinafter collectively referred to as the "Pixel IP Rights"). As used in this Section 5.12, "Pixel-Owned IP Rights" means Pixel IP Rights that are owned by or exclusively licensed to Pixel; and "Pixel-Licensed IP Rights" means Pixel IP Rights that are not Pixel-Owned IP Rights.

5.12.2. Neither the execution, delivery and performance of this Agreement or the certificates or articles of merger required under the PABCL, the NYBCL and the FBCA nor the consummation of the Merger and the other transactions contemplated by this Agreement shall, in accordance with their terms: (a) constitute a material breach of or default under any instrument, license or other contract, agreement, arrangement, commitment or undertaking governing any Pixel IP Right (collectively, the "Pixel IP Rights Agreements"); (b) cause the forfeiture or termination of, or give rise to a right of forfeiture or termination of, any Pixel IP Right; or (c) materially impair the right of Pixel or the Surviving Corporation to use, possess, sell or license any Pixel IP Right or portion thereof.

5.12.3. To Pixel's knowledge, no current or former employee, consultant or independent contractor of Pixel: (a) is in material violation of any term or covenant of any employment contract, patent disclosure agreement, invention assignment agreement, nondisclosure agreement, noncompetition agreement or any other contract, agreement, arrangement, commitment or undertaking with any other party by virtue of such employee's, consultant's or independent contractor's being employed by, or performing services for, Pixel or using trade secrets or proprietary information of others without permission; or (b) has developed any technology, software or other copyrightable, patentable or otherwise proprietary work for Pixel that, to Pixel's knowledge, is subject to any agreement under which such employee, consultant or independent contractor has assigned or otherwise granted to any third party any rights (including Intellectual Property) in or to such technology, software or other copyrightable, patentable or otherwise proprietary work.

5.12.4. Schedule 5.12.4 of the Pixel Disclosure Letter contains a true and complete list of (i) any and all worldwide patents, copyrights, mask works, trademarks, service marks, Internet domain names or Internet or World Wide Web URLs or addresses with any Governmental Authority or quasi-governmental authority, including Internet domain name registries, made by or on behalf of Pixel and (ii) all applications, registrations, filings and other formal written governmental actions made or taken pursuant to federal, state and foreign laws by Pixel to secure, perfect or protect its interest in Pixel IP Rights, including all patent applications, copyright applications and applications for registration of trademarks and service marks. All registered patents, trademarks, service marks, Internet domain names, Internet or World Wide Web URLs or addresses, and copyrights held by Pixel are, to Pixel's knowledge, valid, enforceable and subsisting, and Pixel is the record owner thereof.

5.12.5. Pixel owns all right, title and interest in and to all Pixel-Owned IP Rights free and clear of all Encumbrances and licenses (other than licenses and rights listed in Schedule 5.12.5 of the Pixel Disclosure Letter). The right, license and interest of Pixel in and to all Pixel-Licensed IP Rights are free and clear of all Encumbrances, licenses and rights (other than licenses and rights listed in Schedule 5.12.5 of the Pixel Disclosure Letter).

5.12.6. Schedule 5.12.6 of the Pixel Disclosure Letter contains a true and complete list of (i) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Pixel is a party and pursuant to which any person may be authorized to use any Pixel IP Rights, (ii) all non-government licenses, sublicenses and other contracts, agreements, arrangements, commitments and undertakings as to which Pixel is a party and pursuant to which Pixel is authorized to use any third party Intellectual Property, and (iii) all licenses, sublicenses, and other contracts, agreements, arrangements, commitments and undertakings as to which Pixel and any Governmental Authority are parties to that relate to any Pixel IP Rights and use thereof.

5.12.7. To Pixel's knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any Pixel IP Rights by any third party, including any employee or former employee of Pixel. Pixel has not agreed to indemnify any person for any infringement of any Intellectual Property of any third party by any product or service that has been sold, licensed to third parties, leased to third parties, supplied, marketed, distributed or provided by Pixel.

5.12.8. Except as set forth in Schedule 5.12.8 of the Pixel Disclosure Letter, no government funding, facilities of a university, college, other educational institution or research center, or funding from third parties (other than funds received in consideration for Pixel's capital stock) was used in the development of the Pixel-Owned IP Rights. Except for services covered in Schedule 5.12.8 of the Pixel Disclosure Letter, no current or former employee, consultant or independent contractor of Pixel who was involved in, or who contributed to, the creation or development of any Pixel IP Rights has performed services for the government, for a university, college or other educational institution or for a research center during a period of time during which such employee, consultant or independent contractor was also performing services for Pixel.

Section 5.13. Compliance with Laws. Pixel has materially complied, and is now and at the Closing Date shall be in material compliance with, all federal, state or local laws, statutes, ordinances, regulations, and rules, and all orders, writs, injunctions, awards, judgments and decrees applicable to Pixel or any of its assets, properties and business (and any regulations promulgated thereunder).

Section 5.14. Certain Transactions and Agreements. To Pixel's knowledge, none of the officers, directors, employees or shareholders of Pixel, nor any member of their immediate families, has any indirect ownership interest in any firm or corporation that competes with, or does business with, or has any contractual arrangement with, Pixel (except with respect to any interest in less than 2% of the stock of any corporation whose stock is publicly traded). None of said officers, directors, employees or shareholders or any member of their immediate families, is a party to, or otherwise directly or indirectly interested in, any contract, agreement, arrangement, commitment or

undertaking with Pixel, except for normal compensation for services as an officer, director or employee thereof. None of said officers, directors, employees, shareholders or family members has any interest in any property, real or personal, tangible or intangible (including any Pixel IP Rights or any other Intellectual Property), that is used in, or that pertains to, the Pixel business, except for the rights of a shareholder under applicable law.

Section 5.15. Employees.

5.15.1. Pixel is in compliance in all material respects with all applicable laws, contracts, agreements, arrangements, commitments and undertakings relating to employment, employment practices, immigration, wages, hours, and terms and conditions of employment, including employee compensation matters, and has correctly classified employees as exempt employees and nonexempt employees under the Fair Labor Standards Act. A list of all employees, officers and consultants of Pixel and their current title and/or job description and compensation is set forth on Schedule 5.15 of the Pixel Disclosure Letter. Pixel does not have any employment or consulting contracts, agreements, arrangements, commitments or undertakings currently in effect that are not terminable at will (other than agreements with the sole purpose of providing for the confidentiality of proprietary information or assignment of inventions).

5.15.2. To Pixel's knowledge, no employee or consultant of Pixel is in material violation of (a) any term of any employment or consulting contract, agreement, arrangement, commitment or undertaking or (b) any term of any other contract, agreement, arrangement, commitment or undertaking or any restrictive covenant relating to the right of any such employee or consultant to be employed by Pixel or to use trade secrets or proprietary information of others. The employment of any employee or consultant by Pixel does not subject it to any liability to any third party.

Section 5.16. No Brokers. Neither Pixel nor any affiliate of Pixel is obligated for the payment of any fees or expenses of any investment banker, broker, finder or similar party in connection with the origin, negotiation or execution of this Agreement or in connection with the Merger or any other transaction contemplated by this Agreement. None of Pixel, Anro or Analux shall incur any liability, either directly or indirectly, to any such investment banker, broker, finder or similar party as a result of this Agreement, the Merger or any act or omission of Pixel or any of its employees, officers, directors, shareholders, agents or affiliates.

Section 5.17. Books and Records. The books, records and accounts of Pixel (a) are in all material respects true, complete and correct, (b) have been maintained in accordance with good business practices on a basis consistent with prior years, (c) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets and properties of Pixel, and (d) accurately and fairly reflect the basis for the Pixel Financial Statements.

Section 5.18. Insurance. Since its organization, Pixel has maintained, and now maintains, policies of insurance and bonds of the type and in amounts reasonably and customarily carried by persons conducting businesses or owning assets similar in type and size to those of Pixel, including all legally required workers' compensation insurance and errors and omissions, casualty, fire and general liability insurance. There is no material claim pending under any of such policies or bonds

as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums due and payable under all such policies and bonds have been timely paid, and Pixel is otherwise in material compliance with the terms of such policies and bonds. Pixel has no knowledge of any threatened termination of, or material premium increase with respect to, any of such policies or bonds. All policies of insurance and bonds now held by Pixel are set forth in Schedule 5.18 of the Pixel Disclosure Letter, together with the name of the insurer under each policy or bond, the type of policy or bond, the coverage amount and any applicable deductible.

Section 5.19. Environmental Matters. Pixel and its predecessors and affiliates are in material compliance with all applicable Environmental Laws, which compliance includes the possession by Pixel of all permits and other governmental authorizations required under applicable Environmental Laws and compliance with the terms and conditions thereof. Pixel has not received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens groups, employee or otherwise, that alleges that Pixel is not in compliance with any Environmental Law, and there are no circumstances that may prevent or interfere with the compliance by Pixel with any current Environmental Law in the future. To Pixel's knowledge, no current or prior owner of any property leased or possessed by Pixel has received any notice or other communication (in writing or otherwise), whether from a Governmental Authority, citizens group, employee or otherwise, that alleges that such current or prior owner or Pixel is not in compliance with any Environmental Law. All governmental authorizations currently held by Pixel pursuant to any Environmental Law (if any) are identified in Schedule 5.19 of the Pixel Disclosure Letter.

Section 5.20. Disclosure. This Agreement (including its Exhibits and Schedules and the Pixel Disclosure Letter) contains no untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which such statements were made, not misleading. Except as specifically set forth in this Agreement or the Pixel Disclosure Letter, there are no facts or circumstances of which Pixel is aware that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Pixel.

ARTICLE VI

PRE-CLOSING COVENANTS

Section 6.1. Covenants of Analux.

(a) **Operational Access.** Until the Closing, Analux shall give the other parties, their attorneys, accountants or other authorized representatives access to its offices, properties, customers, employees, products, technology and other business records and information concerning Analux and persons employed by or doing business with Analux.

(b) **Compliance With Laws.** Until the Closing, Analux shall conduct its business in compliance with all applicable laws, rules, regulations and orders.

(c) **Actions Prior to Closing.** Analux shall conduct its business pending the Closing only in the ordinary and usual course of business consistent with past practice.

(d) Notice of Changes. Until the Closing, Analux shall notify the other parties of any material change in the business of Analux as soon as it becomes apparent to Analux that any such change has or may occur.

(e) Preservation of Business. Until the Closing, Analux will use its best efforts to preserve its business organization intact and to preserve its goodwill.

(f) Litigation. Until the Closing, Analux will promptly notify the other parties of any lawsuits, claims, proceedings or investigations which are threatened or commenced against or by Analux, or against any employee, consultant or director of Analux.

(g) No Negotiations. Until the termination of this Agreement in accordance with its terms, neither Analux nor any of its shareholders, officers, directors, employees, affiliates, advisors or agents shall, directly or indirectly, initiate discussions with, engage in negotiations with, enter into any agreement with or provide any information to, any other person or entity involving the possible sale, directly or indirectly, transfer or joint venture of Analux, its business or assets, or the capital stock of Analux.

(h) Analux Shareholder Approval. As promptly as practicable after the date hereof, Analux shall take all action necessary under the PABCL and its charter documents (a) to convene a meeting of its shareholders to vote upon the approval and adoption of this Agreement and the Merger (or take action in lieu thereof by written consent) and (b) to solicit the Analux Shareholder Approval. The Board of Directors of Analux will, by unanimous vote of the directors in office, recommend that the Analux Shareholder Approval be given and will use its reasonable best efforts to solicit from the Analux shareholders the Analux Shareholder Approval.

(i) Sale of Anro Common Stock Pursuant to Regulation D. Analux acknowledges that the offer and sale of shares of Anro Common Stock to the shareholders of Analux pursuant to the Merger and this Agreement is intended to be exempt from registration under Regulation D promulgated under the Securities Act ("Regulation D") and such shares may not be re-offered or resold other than in conformity with the registration requirements of the Securities Act and applicable state securities laws or pursuant to an exemption therefrom. The certificates representing shares of Surviving Corporation Common Stock shall bear a legend to the effect described above and shall include such additional legends as necessary to comply with applicable federal and state securities laws and other applicable restrictions. Analux acknowledges that Anro is relying on certain written representations by each Analux shareholder to determine whether the offer and sale of shares of Surviving Corporation Common Stock to the Analux shareholders pursuant to the Merger and this Agreement meets the conditions of Regulation D.

(j) Dissenters' Rights. Analux shall comply with the dissenters' rights provisions of the PABCL.

(k) Reorganization. Analux shall use its best efforts to cause the business combination to be effected by the Merger to be qualified as a "reorganization" within the meaning of Section 368 of the Code. Analux will not take any action, or fail to take any action, that could

reasonably be expected to cause the Merger to fail to qualify as a "reorganization" within the meaning of Section 368 of the Code.

Section 6.2. Covenants of Anro.

(a) Operational Access. Until the Closing, Anro shall give the other parties, their attorneys, accountants or other authorized representatives access to its offices, properties, customers, employees, products, technology and other business records and information concerning Anro and persons employed by or doing business with Anro.

(b) Compliance With Laws. Until the Closing, Anro shall conduct its business in compliance with all applicable laws, rules, regulations and orders.

(c) Actions Prior to Closing. Anro shall conduct its business pending the Closing only in the ordinary and usual course of business consistent with past practice.

(d) Notice of Changes. Until the Closing, Anro shall notify the other parties of any material change in the business of Anro as soon as it becomes apparent to Anro that any such change has or may occur.

(e) Preservation of Business. Until the Closing, Anro will use its best efforts to preserve its business organization intact and to preserve its goodwill.

(f) Litigation. Until the Closing, Anro will promptly notify the other parties of any lawsuits, claims, proceedings or investigations which are threatened or commenced against or by Anro, or against any employee, consultant or director of Anro.

(g) No Negotiations. Until the termination of this Agreement in accordance with its terms, neither Anro nor any of its shareholders, officers, directors, employees, affiliates, advisors or agents shall, directly or indirectly, initiate discussions with, engage in negotiations with, enter into any agreement with or provide any information to, any other person or entity involving the possible sale, directly or indirectly, transfer or joint venture of Anro, its business or assets, or the capital stock of Anro.

(h) Anro Shareholder Approval. As promptly as practicable after the date hereof, Anro shall take all action necessary under the FBCA and its charter documents (a) to convene a meeting of its shareholders to vote upon the approval and adoption of this Agreement and the Merger (or take action in lieu thereof by written consent) and (b) to solicit the Anro Shareholder Approval. The Board of Directors of Anro will, by unanimous vote of the directors in office, recommend that the Anro Shareholder Approval be given and will use its reasonable best efforts to solicit from the Anro shareholders the Anro Shareholder Approval.

(i) Resignations. On the Closing Date, Anro shall cause to be delivered to Analux and Pixel duly signed resignations, effective immediately at the Effective Time, of all members of the board of directors of Anro (other than Gerald F. Ross) of their positions as directors

and of all officers of Anro (other than William Kent, Beverly Botts and Catherine Hinkley) of their positions as officers.

(j) Reorganization. Anro shall use its best efforts to cause the business combination to be effected by the Merger to be qualified as a "reorganization" within the meaning of Section 368 of the Code. Anro will not take any action, or fail to take any action, that could reasonably be expected to cause the Merger to fail to qualify as a "reorganization" within the meaning of Section 368 of the Code.

Section 6.3. Covenants of Pixel.

(a) Operational Access. Until the Closing, Pixel shall give the other parties, their attorneys, accountants or other authorized representatives access to its offices, properties, customers, employees, products, technology and other business records and information concerning Pixel and persons employed by or doing business with Pixel.

(b) Compliance With Laws. Until the Closing, Pixel shall conduct its business in compliance with all applicable laws, rules, regulations and orders.

(c) Actions Prior to Closing. Pixel shall conduct its business pending the Closing only in the ordinary and usual course of business consistent with past practice; provided, however, that Pixel is hereby expressly authorized to (i) payoff and satisfy in full the term loan and line of credit facility with Fleet Bank described at Section 5.3.2 of the Pixel Disclosure Letter and (ii) make any necessary distributions to shareholders in connection with shareholder tax liabilities, consistent with past practice, arising from the termination of Pixel's accounting year as of the Effective Time.

(d) Notice of Changes. Until the Closing, Pixel shall notify the other parties of any material change in the business of Pixel as soon as it becomes apparent to Pixel that any such change has or may occur.

(e) Preservation of Business. Until the Closing, Pixel will use its best efforts to preserve its business organization intact and to preserve its goodwill.

(f) Litigation. Until the Closing, Pixel will promptly notify the other parties of any lawsuits, claims, proceedings or investigations which are threatened or commenced against or by Pixel, or against any employee, consultant or director of Pixel.

(g) No Negotiations. Until the termination of this Agreement in accordance with its terms, neither Pixel nor any of its shareholders, officers, directors, employees, affiliates, advisors or agents shall, directly or indirectly, initiate discussions with, engage in negotiations with, enter into any agreement with or provide any information to, any other person or entity involving the possible sale, directly or indirectly, transfer or joint venture of Pixel, its business or assets, or the capital stock of Pixel.

(h) Pixel Shareholder Approval. As promptly as practicable after the date hereof, Pixel shall take all action necessary under the NYBCL and its charter documents (a) to convene a

meeting of its shareholders to vote upon the approval and adoption of this Agreement and the Merger (or take action in lieu thereof by written consent) and (b) to solicit the Pixel Shareholder Approval. The Board of Directors of Pixel will, by unanimous vote of the directors in office, recommend that the Pixel Shareholder Approval be given and will use its reasonable best efforts to solicit from the Pixel shareholders the Pixel Shareholder Approval.

(i) Sale of Anro Common Stock Pursuant to Regulation D. Pixel acknowledges that the offer and sale of shares of Anro Common Stock to the shareholders of Pixel pursuant to the Merger and this Agreement is intended to be exempt from registration under Regulation D and such shares may not be re-offered or resold other than in conformity with the registration requirements of the Securities Act and applicable state securities laws or pursuant to an exemption therefrom. The certificates representing shares of Surviving Corporation Common Stock shall bear a legend to the effect described above and shall include such additional legends as necessary to comply with applicable federal and state securities laws and other applicable restrictions. Pixel acknowledges that Anro is relying on certain written representations by each Pixel shareholder to determine whether the offer and sale of shares of Surviving Corporation Common Stock to the Pixel shareholders pursuant to the Merger and this Agreement meets the conditions of Regulation D.

(j) Dissenters' Rights. Pixel shall comply with the dissenters' rights provisions of the NYBCL.

(k) Reorganization. Pixel shall use its best efforts to cause the business combination to be effected by the Merger to be qualified as a "reorganization" within the meaning of Section 368 of the Code. Pixel will not take any action, or fail to take any action, that could reasonably be expected to cause the Merger to fail to qualify as a "reorganization" within the meaning of Section 368 of the Code.

ARTICLE VII CONDITIONS TO CLOSING

Section 7.1. Conditions to Analux's Obligation to Close. Analux's obligation to consummate the transactions contemplated by this Agreement shall be subject to the full satisfaction of the following conditions, each of which may be waived in writing by Analux:

(a) Instruments. Anro and Pixel shall have executed and delivered to Analux any and all documents reasonably required by Analux to effect the transactions contemplated hereby including, without limitation, copies certified by the Secretary of Anro and Pixel of (i) resolutions duly adopted by the directors and shareholders of Anro and Pixel authorizing and approving the Merger and the execution and performance of this Agreement, (ii) the Articles of Incorporation of Anro and Pixel, as currently in effect and (iii) bylaws of Anro and Pixel, as currently in effect.

(b) Representations and Warranties. The representations and warranties of Anro and Pixel contained in this Agreement shall be true in all material respects at the Closing as though made at such time (except to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date) provided that any such representations and warranties that are qualified by

the term "material" or otherwise qualified as to materiality shall be true at the Closing in accordance with the terms thereof.

(c) Performance of Covenants. Anro and Pixel shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(d) Shareholder Approval. The Merger shall have been approved by the shareholders of Analux as required by applicable law.

(e) Certificate. Anro and Pixel shall have delivered to Analux certificates executed by their Chief Executive Officers certifying as to Anro and Pixel's satisfactions of the conditions set forth in Sections 7.2 and 7.3, respectively.

(f) Consents. All consents or approvals required for the consummation of the transactions contemplated hereby, including any required consents of the parties to any contract to which Analux, Anro or Pixel is a party, shall have been obtained.

(g) No Material Adverse Change. There shall not have occurred any event, occurrence or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on either of Anro or Pixel between the date hereof and the Closing Date.

(h) Employment Agreement. The Employment Agreement substantially in the form attached hereto as Exhibit A by and between William Kent and the Surviving Corporation shall have been executed and delivered by the Surviving Corporation.

(i) Litigation/Laws. No action shall be pending or threatened before any court or other Governmental Authority or before any other person wherein an unfavorable order would prevent consummation of the Merger. No such order shall be in effect and no law shall have been enacted or shall be deemed applicable to the Merger that would prevent consummation of the Merger.

(j) Shareholders' Agreement. Each holder of record of shares Analux Common Stock, Anro Common Stock and Pixel Common Stock immediately prior to the Effective Time shall have executed and delivered a Shareholders' Agreement in substantially the form attached hereto as Exhibit B (the "Shareholders' Agreement").

Section 7.2. Conditions to Anro's Obligation to Close. Anro's obligation to consummate the transactions contemplated by this Agreement shall be subject to the full satisfaction of the following conditions, each of which may be waived in writing by Anro:

(a) Instruments. Analux and Pixel shall have executed and delivered to Anro any and all documents reasonably required by Anro to effect the transactions contemplated hereby including, without limitation, copies certified by the Secretary of Analux and Pixel of (i) resolutions duly adopted by the directors and shareholders of Analux and Pixel authorizing and approving the

Merger and the execution and performance of this Agreement, (ii) the Articles of Incorporation of Analux and Pixel, as currently in effect and (iii) bylaws of Analux and Pixel, as currently in effect.

(b) Representations and Warranties. The representations and warranties of Analux and Pixel contained in this Agreement shall be true in all material respects at the Closing as though made at such time (except to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date), provided that any such representations and warranties that are qualified by the term "material" or otherwise qualified as to materiality shall be true at the Closing in accordance with the terms thereof.

(c) Performance of Covenants. Analux and Pixel shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(d) Shareholder Approval. The Merger shall have been approved by the shareholders of Anro as required by applicable law.

(e) Certificate. Analux and Pixel shall have delivered to Anro certificates executed by their Chief Executive Officers certifying as to Analux and Pixel's satisfactions of the conditions set forth in Sections 7.1 and 7.3, respectively.

(f) Consents. All consents or approvals required for the consummation of the transactions contemplated hereby, including any required consents of the parties to any contract to which Analux, Anro or Pixel is a party, shall have been obtained.

(g) No Material Adverse Change. There shall not have occurred any event, occurrence or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on either of Analux or Pixel between the date hereof and the Closing Date.

(h) Employment Agreement. The Employment Agreement substantially in the form attached hereto as Exhibit C by and between Beverly Botts and the Surviving Corporation shall have been executed and delivered by the Surviving Corporation.

(i) Litigation/Laws. No action shall be pending or threatened before any court or other Governmental Authority or before any other person wherein an unfavorable order would prevent consummation of the Merger. No such order shall be in effect and no law shall have been enacted or shall be deemed applicable to the Merger that would prevent consummation of the Merger.

(j) Shareholders' Agreement. Each holder of record of shares Analux Common Stock, Anro Common Stock and Pixel Common Stock immediately prior to the Effective Time shall have executed and delivered the Shareholders' Agreement.

Section 7.3. Conditions to Pixel's Obligation to Close. Pixel's obligation to consummate the transactions contemplated by this Agreement shall be subject to the full satisfaction of the following conditions, each of which may be waived in writing by Pixel:

(a) Instruments. Anro and Analux shall have executed and delivered to Pixel any and all documents reasonably required by Pixel to effect the transactions contemplated hereby including, without limitation, copies certified by the Secretary of Anro and Analux of (i) resolutions duly adopted by the directors and shareholders of Anro and Analux authorizing and approving the Merger and the execution and performance of this Agreement, (ii) the Articles of Incorporation of Anro and Analux, as currently in effect and (iii) bylaws of Anro and Analux, as currently in effect.

(b) Representations and Warranties. The representations and warranties of Anro and Analux contained in this Agreement shall be true in all material respects at the Closing as though made at such time (except to the extent that such representations and warranties refer specifically to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date), provided that any such representations and warranties that are qualified by the term "material" or otherwise qualified as to materiality shall be true at the Closing in accordance with the terms thereof.

(c) Performance of Covenants. Anro and Analux shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(d) Shareholder Approval. The Merger shall have been approved by the shareholders of Pixel as required by applicable law.

(e) Certificate. Anro and Analux shall have delivered to Pixel certificates executed by their Chief Executive Officers certifying as to Anro and Analux's satisfactions of the conditions set forth in Sections 7.2 and 7.1, respectively.

(f) Consents. All consents or approvals required for the consummation of the transactions contemplated hereby, including any required consents of the parties to any contract to which Analux, Anro or Pixel is a party, shall have been obtained.

(g) No Material Adverse Change. There shall not have occurred any event, occurrence or change that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on either of Analux or Anro between the date hereof and the Closing Date.

(h) Employment Agreements. The Employment Agreements substantially in the forms attached hereto as Exhibits D and E by and between Kevin Kearney and Pano Spiliotis, respectively, and the Surviving Corporation shall have been executed and delivered by the Surviving Corporation.

(i) Loan Satisfaction and Payoff. The term loan and line of credit facility between Pixel and Fleet Bank described at Schedule 5.3.2 of the Pixel Disclosure Letter shall have

been paid and satisfied in full and any related personal guarantees of any Pixel shareholder shall have been released.

(j) Litigation/Laws. No action shall be pending or threatened before any court or other Governmental Authority or before any other person wherein an unfavorable order would prevent consummation of the Merger. No such order shall be in effect and no law shall have been enacted or shall be deemed applicable to the Merger that would prevent consummation of the Merger.

(k) Shareholders' Agreement. Each holder of record of shares Analux Common Stock, Anro Common Stock and Pixel Common Stock immediately prior to the Effective Time shall have executed and delivered the Shareholders' Agreement.

ARTICLE VIII MANAGEMENT

Section 8.1. Directors and Officers of Surviving Corporation. From and after the Effective Time, (i) the following individuals shall serve as directors of the Surviving Corporation until their successors are duly qualified and elected: William Kent, Gerald F. Ross, Michael J. Richardson, Gary H. Connors and Mark F. DeSantis; and (ii) the following individuals shall serve in the officer positions set forth next to their name for the Surviving Corporation until their successors are duly qualified and elected:

Gerald F. Ross	Chairman
William Kent	Chief Executive Officer & President
Beverly Botts	Vice President & Secretary
Catherine Hinkley	Vice President & Treasurer

If at the Effective Time a vacancy shall exist in any directorship or office of the Surviving Corporation, such vacancy shall thereafter be filled in the manner provided in the Bylaws of Surviving Corporation.

ARTICLE IX EFFECTIVE TIME

Section 9.1. Effective Time. The Effective Time of the Merger shall be upon the filing of the Articles of Merger with the Department of State of the State of Florida.

ARTICLE X FILINGS

Section 10.1. State Filings. The proper officers of Analux, Anro and Pixel shall make and execute whatever certificates and documents are required by the states of Pennsylvania, Florida and

New York to effect the Merger, and to cause the same to be filed, in the manner provided by law, and to do all things whatsoever, whether within or without the states of Pennsylvania, Florida and New York which may be necessary and proper to effect such Merger.

ARTICLE XI **TERMINATION**

Section 11.1. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing Date, notwithstanding any requisite approval and adoption of this Agreement, as follows:

(a) by mutual written consent duly authorized by the directors of each of Anro, Analux and Pixel;

(b) by Anro, Analux or Pixel if another party has committed a material breach of any of its representations, warranties, agreements or covenants hereunder and such breach cannot be cured in a reasonable period of time;

(c) by Analux if any of the conditions set forth in Section 7.1 has not been satisfied or waived for any reason other than a breach by Analux of any of its representations, warranties or agreements hereunder;

(d) by Anro if any of the conditions set forth in Section 7.2 hereof has not been satisfied or waived for any reason other than a breach by Anro of any of its representations, warranties or agreements hereunder; or

(e) by Pixel if any of the conditions set forth in Section 7.3 hereof has not been satisfied or waived for any reason other than a breach by Pixel of any of its representations, warranties or agreements hereunder.

Section 11.2. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 11.1, this Agreement shall forthwith become void, there shall be no liability under this Agreement on the part of Anro, Analux or Pixel or any of their respective officers or directors and all rights and obligations of each party hereto shall cease; provided, however, that nothing herein shall relieve either party from liability from the willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

ARTICLE XII **AMENDMENT**

Section 12.1. Amendment. This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective directors at any time prior to the Closing Date; provided, however, that after the approval and adoption of this Agreement by the shareholders of Anro, Analux and Pixel, there shall not be any amendment that by law requires further approval by the shareholders of Anro, Analux and Pixel without the further approval of such shareholders. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

ARTICLE XIII INDEMNIFICATION

Section 13.1. Survival. Except for Sections 3.7, 4.7 and 5.7, which shall survive until the termination of the applicable statute of limitations, all representations and warranties of Analux, Anro and Pixel contained in this Agreement and the other agreements, certificates and documents contemplated hereby shall remain operative and in full force and effect, regardless of any investigation or disclosure made by or on behalf of any of the parties to this Agreement, until that date which is the earlier of (a) the termination of this Agreement in accordance with Article XI, or (b) the first anniversary of the Closing Date (the "Release Date"). All covenants of the parties shall survive according to their respective terms.

Section 13.2. Indemnification by Analux Shareholders. The shareholders of record of Analux immediately prior to the Closing (the "Analux Shareholders") shall severally, and not jointly, indemnify, defend, protect and hold harmless Surviving Corporation, its subsidiaries and affiliates and its officers, directors, shareholders, employees and agents (collectively, "Indemnitees") from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys', consultants' and witness' fees incurred in connection therewith which arise out of: (i) the breach of any representation or warranty made by Analux under this Agreement or any document or certificate delivered by Analux pursuant to this Agreement; or (ii) the non-performance, partial or total, of any covenant made by Analux pursuant to this agreement or any document or certificate delivered by Analux pursuant to this agreement. The aggregate liability of each Analux Shareholder pursuant to this Section 13.2 shall be limited to each Analux Shareholder's Pro-Rata Share of the Escrow Shares; provided, however, this limitation on liability shall not apply in the event of fraud, willful misrepresentation or misconduct on the part of Analux. Where liability is assessed, an "Analux Shareholder's Pro-Rata Share" of the Escrow Shares means the product of (i) the total liability as expressed in Surviving Corporation Common Stock for which the Analux Shareholders are liable and (ii) the quotient obtained by dividing (a) the number of shares of Surviving Corporation Common Stock owned by each Analux Shareholder upon the conversion of shares of Analux Common Stock as set forth in Section 2.1(b), by (b) the number of shares of Surviving Corporation Common Stock owned by all Analux Shareholders upon the conversion of shares of Analux Common Stock as set forth in Section 2.1(b). In furtherance of this provision, the Analux Shareholders appoint William Kent as their agent in the event of a claim against the Indemnity Escrow Fund ("Analux Escrow Agent").

Section 13.3. Indemnification by Anro. The shareholders of record of Anro immediately prior to the Closing (the "Anro Shareholders") shall severally, and not jointly, indemnify, defend, protect and hold harmless the Indemnitees from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys', consultants' and witness' fees incurred in connection therewith which arise out of: (i) the breach of any representation or warranty made by Anro under this Agreement or any document or certificate delivered by Anro pursuant to this Agreement; or (ii) the non-performance, partial or total, of any covenant made by Anro pursuant to this agreement or any document or certificate delivered by Anro

pursuant to this agreement. The aggregate liability of each Anro Shareholder pursuant to this Section 13.3 shall be limited to each Anro Shareholder's Pro-Rata Share of the Escrow Shares; provided, however, this limitation on liability shall not apply in the event of fraud, willful misrepresentation or misconduct on the part of Anro. Where liability is assessed, an "Anro Shareholder's Pro-Rata Share" of the Escrow Shares means the product of (i) the total liability as expressed in Surviving Corporation Common Stock for which the Anro Shareholders are liable and (ii) the quotient obtained by dividing (a) the number of shares of Surviving Corporation Common Stock owned by each Anro Shareholder upon the dividend of shares of Anro Common Stock as set forth in Section 2.1(a) by (b) the number of shares of Surviving Corporation Common Stock owned by all Anro Shareholders upon the dividend of shares of Anro Common Stock as set forth in Section 2.1(a). In furtherance of this provision, the Anro Shareholders appoint Beverly Botts as their agent in the event of a claim against the Indemnity Escrow Fund ("Anro Escrow Agent").

Section 13.4. Indemnification by Pixel. The shareholders of record of Pixel immediately prior to the closing (the "Pixel Shareholders") shall severally, and not jointly, indemnify, defend, protect and hold harmless the Indemnitees from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys', consultants' and witness' fees incurred in connection therewith which arise out of: (i) the breach of any representation or warranty made by Pixel under this Agreement or any document or certificate delivered by Pixel pursuant to this Agreement; or (ii) the non-performance, partial or total, of any covenant made by Pixel pursuant to this agreement or any document or certificate delivered by Pixel pursuant to this agreement. The aggregate liability of each Pixel Shareholder pursuant to this Section 13.4 shall be limited to each Pixel Shareholder's Pro-Rata Share of the Escrow Shares; provided, however, this limitation on liability shall not apply in the event of fraud, willful misrepresentation or misconduct on the part of Pixel. Where liability is assessed, a "Pixel Shareholder's Pro-Rata Share" of the Escrow Shares means the product of (i) the total liability as expressed in Surviving Corporation Common Stock for which the Pixel Shareholders are liable and (ii) the quotient obtained by dividing (a) the number of shares of Surviving Corporation Common Stock owned by each Pixel Shareholder upon the conversion of shares of Pixel Common Stock as set forth in Section 2.1(c), by (b) the number of shares of Surviving Corporation Common Stock owned by all Pixel Shareholders upon the conversion of shares of Pixel Common Stock as set forth in Section 2.1(c). In furtherance of this provision, the Pixel Shareholders appoint Pano Spiliotis as their agent in the event of a claim against the Indemnity Escrow Fund ("Pixel Escrow Agent").

Section 13.5. Valuation of Escrow Shares. For purposes of determining the number of Escrow Shares necessary to satisfy any indemnification obligations of the Analux Shareholders, Anro Shareholders or Pixel Shareholders under this Article XIII, the Escrow Shares shall be valued at \$1.03 per share.

Section 13.6. Notice of Claims. Surviving Corporation will send a notice of claim (the "Notice of Claim") to the applicable indemnitors (the "Indemnitors") promptly following discovery by any Indemnitee of any matter that gives rise to a claim of indemnity pursuant hereto. Failure or delay in notifying the Indemnitors will not relieve the Indemnitors of any liability they may have to the Indemnitee, except and only to the extent that such failure or delay causes actual harm to the Indemnitors with respect to such claim.

Section 13.7. Claims Procedure. Surviving Corporation's Notice of Claim shall constitute a claim against the Indemnity Escrow Fund for a transfer of Escrow Shares. In order to object to such claim and a transfer of Escrow Shares, the responsible Escrow Agent (i.e., the Analux Escrow Agent if a claim against Analux Shareholders; the Pixel Escrow Agent if a claim against Pixel Shareholders, and the Anro Escrow Agent if a claim against Anro Shareholders) shall give written notice of objection (either individually or together) to Surviving Corporation within 5 business days following the date on which Surviving Corporation gives the Notice of Claim. Unless the responsible Escrow Agent shall timely give a notice of objection in accordance with the preceding sentence in respect of said claim(s), at the end of such period the Surviving Corporation shall promptly transfer the applicable Escrow Shares to the treasury of Surviving Corporation from the Indemnity Escrow Fund (to the extent that the Indemnity Escrow Fund is sufficient therefor). In the event that the responsible Escrow Agent timely gives a notice of objection, Surviving Corporation and the responsible Escrow Agent shall endeavor to resolve the claim(s) subject to the Notice of Claim. If Surviving Corporation and the responsible Escrow Agent are able to agree on a resolution with respect to the claim(s) subject to the Notice of Claim, a memorandum setting forth such agreement shall be prepared and signed by Surviving Corporation and the responsible Escrow Agent and Escrow Shares, if any, shall be transferred to treasury of Surviving Corporation in accordance with the terms of such memorandum. Surviving Corporation and the responsible Escrow Agent shall act in good faith to attempt to reach a resolution of the claims(s) within 20 business days following the date on which the responsible Escrow Agent gives the written notice of objection. If Surviving Corporation and the responsible Escrow Agent are unable to agree on any resolution with respect to the claim(s) subject to the Notice of Claim, no action with respect to Escrow Shares shall be taken except pursuant to a final award determined by a court of competent jurisdiction from which no appeal can be timely taken. For purposes of clarity, where liability is assessed against a party, the respective (former) shareholders of that party shall have individual liability equal to their Pro-Rata Share of the Escrow Shares so deposited.

Section 13.8. Distribution of Escrow Shares after the Release Date. Within ten (10) business days after the Release Date, Surviving Corporation shall deliver to the Analux Shareholders, Pixel Shareholders and Anro Shareholders the portion of the Escrow Shares in excess of the amount of the Escrow Shares necessary to satisfy any unsatisfied or disputed claims for damages arising before the Release Date. As soon as all such claims have been resolved, Surviving Corporation shall deliver to the Analux Shareholders, Anro Shareholders and Pixel Shareholders all remaining portions of the Escrow Shares not required to satisfy such claims.

Section 13.9. Sole and Exclusive Remedy. Following the Closing, the indemnification obligations under this Agreement shall be the sole and exclusive remedy available to the parties and in lieu of any other remedies or rights available to the parties, at law or in equity, with respect to any claims, disputes, conflicts, damages or otherwise arising out of or related to this Agreement and the transactions contemplated hereby. Nothing in the preceding sentence shall limit any parties' liability from any claims arising out of fraud or willful misrepresentation.

ARTICLE XIV
MISCELLANEOUS

Section 14.1. Notices. Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given: (a) on the date established by the sender as having been delivered personally; (b) on the date delivered by a private courier as established by the sender by evidence obtained from the courier; (c) on the date sent by facsimile, with confirmation of transmission, if sent during normal business hours of the recipient, if not, then on the next business day; or (d) on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, to be valid, must be addressed as follows:

If to Analux, to:

P.O. Box 10460
Rochester, NY 14610
Attn: William Kent
Facsimile: 207.633.2352

With a required copy to:

Pietragallo, Bosick & Gordon
One Oxford Centre, 38th Floor
301 Grant Street
Attn: Gavin M. O'Connor, Esq.
Facsimile: 412.261.5295

If to Anro, to:

1800 Second Street, Suite 730
Sarasota, FL 34236-5992
Attn: Beverly J. Botts
Facsimile: 941.957.3082

With a required copy to:

Morgan, Lewis & Bockius LLP
One Oxford Centre, 32nd Floor
301 Grant Street
Pittsburgh, PA 15219-6401
Attn: Eric D. Kline, Esq.
Facsimile: 412.560.7001

If to Pixel, to:

125 Tech Park Drive
Rochester, NY 14623
Attn: Pano Spiliotis
Facsimile: 585.427.8422

With a required copy to:

Harris Beach LLP
99 Garnsey Road
Pittsford, NY 14534
Attn: Thomas E. Willett, Esq.
Facsimile: 585.419.8801

If to the Analux Shareholders, Anro Shareholders or Pixel Shareholders, to their addresses set forth on the Shareholder's Counterpart Signature Page or to such other address or to the attention of such person or persons as the recipient party has specified by prior written notice to the sending party (or in the case of counsel, to such other readily ascertainable business address as such counsel may hereafter maintain). If more than one method for sending notice as set forth above is used, the earliest notice date established as set forth above shall control.

Section 14.2. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

Section 14.3. Entire Agreement. This Agreement (including exhibits, annexes and schedules) constitutes the entire Agreement among 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 the subject matter hereof.

Section 14.4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida without regard to any conflicts of laws principles which would cause the substantive law of another jurisdiction to apply.

Section 14.5. Announcements. All parties will consent with each other and will mutually agree upon any press release or other public statements with respect to the transactions contemplated by this Agreement and shall not issue any press release or make any public statement prior to such consultation and agreement.

Section 14.6. Confidentiality. Each of the parties agrees that it shall exercise, and shall cause their respective representatives to exercise the same degree of care to prevent disclosure of information received by or disclosed to such party pursuant to this Agreement as it takes to preserve and safeguard its own confidential information but, in any event, no less than a reasonable degree of care. Each recipient of information shall not use any of such information except as permitted by this Agreement or release or disclose such information to any other person except its auditors, attorneys and other consultants and advisors in connection with this Agreement. If this Agreement

shall be terminated for any reason, any documentary information shall be returned to the disclosing party promptly.

Section 14.7. Jurisdiction. The parties to this Agreement agree that any suit, action or proceeding arising out of, or with respect to, this Agreement shall be brought in the state or federal courts residing in Allegheny County, Pennsylvania, and the parties hereto hereby irrevocably accept the exclusive personal jurisdiction of those courts for the purposes of any suit, action or proceeding. In addition, the parties hereto each hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the weighing of venue of any suit, action or proceeding arising out of or relating to this Agreement or any judgment entered in respect thereof brought in state or federal court residing in Allegheny County, Pennsylvania and hereby further irrevocably waives any claim, action or proceedings brought in any such court has been brought in an inconvenient forum.

Section 14.8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument. The parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile signatures with original copies to follow by mail or courier service.

Section 14.9. Third Party Beneficiaries. No provision of this Agreement is intended to confer upon any person other than the parties hereto any rights or remedies hereunder; except that in the case of Article XIII hereof, the Indemnitees and their respective heirs, executors, administrators, legal representatives, successors and assigns, are intended third party beneficiaries of such sections and shall have the right to enforce such sections in their own names.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Nov 03 04 10:41a Geospatial Systems Inc 8418573082

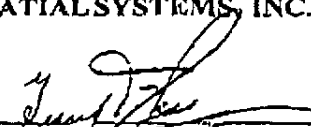
P.2

IN WITNESS WHEREOF, Anro, Analux and Pixel have caused this Agreement to be executed as of the date first written above by their respective officers thereunder duly authorized.

ANALUX, INC.

By: _____
Name: _____
Title: _____

GEOSPATIALSYSTEMS, INC.

By:  _____
Name: GERALD F. ROSS
Title: CEO, Chairman

PIXELPHYSICS, INC.

By: _____
Name: _____
Title: _____

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Pixel Physics

[716] 461-1980

p.4

IN WITNESS WHEREOF, Anro, Analux and Pixel have caused this Agreement to be executed as of the date first written above by their respective officers, thereunder duly authorized.

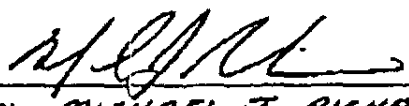
ANALUX, INC.

By: _____
Name: _____
Title: _____

GEOSPATIAL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

PIXEL PHYSICS, INC.

By: 
Name: MICHAEL J. RICHARDSON
Title: PRESIDENT

FEB 24 2005 15:18 FR MORGAN LEWIS PIT 412 560 3399 TO 14790#0621310001 P.02
11/05/2004 14:12 FAX 14122616823 0002/002
W.H. KENT 207 653 2352 P.02

IN WITNESS WHEREOF, Anro, Analux and Pixel have caused this Agreement to be executed as of the date first written above by their respective officers thereunder duly authorized.

ANALUX, INC.

By: William H. Kent
Name: WILLIAM H. KENT
Title: PRESIDENT & CEO

GEOSPATIAL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

PIXEL PHYSICS, INC.

By: _____
Name: _____
Title: _____