

Contract Management System

built with

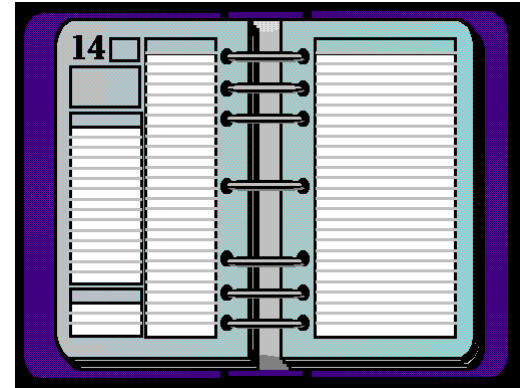
MasterDraft 3.0

*Presentation and prototype prepared by
Seth G. Rowland, Esq.
First Draft Legal System, Inc.*

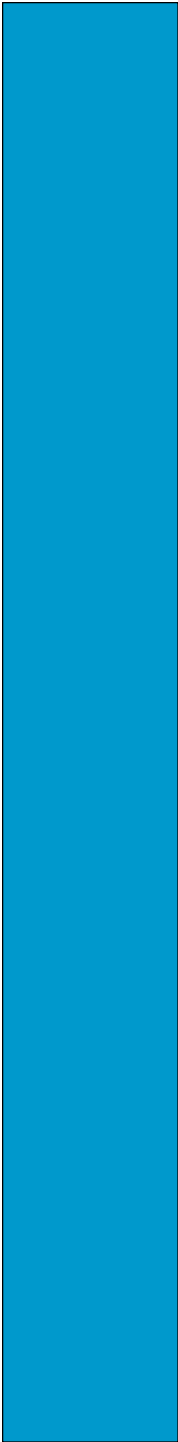


www.masterdraft.com

Agenda



- Info on MasterDraft & First Draft
- Current Customers
- Highlights of the Software
- Next Steps & Questions
- MasterDraft Authoring



Don't Reinvent the Wheel. With MasterDraft you can ...

- Reengineer the Creation of Contracts and Other Agreements
- Maximize Legal Expertise of Your Organization
- Minimize Time and Cost of Document Preparation
- Improve Work Product and Avoid Costly Errors
- Track Contract Terms in a Fully-Integrated Contract Management System



MasterDraft Allows You To . . .

- Build multi-document systems based on your own precedents.
- Rapidly produce highly customized legal documents.
- Focus on strategic issues, while fostering consistency and quality control.
- Use staff more efficiently without reducing work quality.
- Enter accurate and timely data in a corporate contracts database.



MasterDraft Version 3.0 and First Draft Legal System, Inc.

The Software

- Designed by lawyers for lawyers
- Extensive field testing over 10 years
- Free upgrades during term of service agreement

The Company

- Consultants are licensed attorneys
- 24-hour telephone hotline support
- Fixed fee for custom software



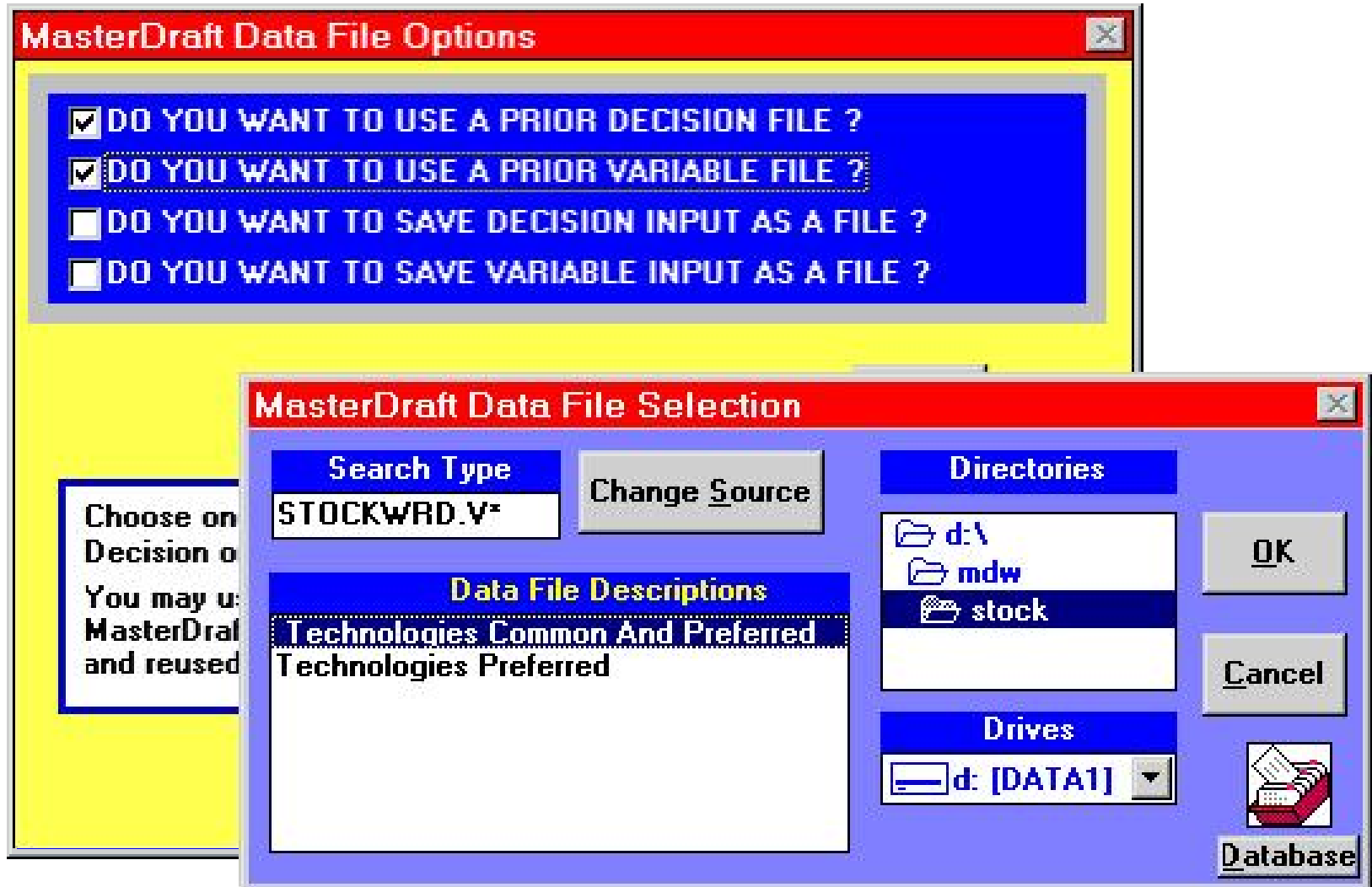
You're in Good Company

- American Savings Bank
- Blue Cross and Blue Shield of NC
- California Edison
- Merck & Co.
- NYCTA
- Pacific Bell
- Port of Portland
- Premier Insurance Management, Inc.

Law Firms

- Cadwalader Wickersham & Taft
- CS&M
- Gebhardt & Smith
- Morrison & Foerster
- Orrick, Herrington & Sutcliffe
- Sidley & Austin
- Wachtell, Lipton

Save & Retrieve Answer Profiles



Construct a custom template, particular to your needs.

MasterDraft: Decision #1 [X]

File Edit Data Logic Back

SELL COMMON STOCK **Yes**
 No

OK

DESCRIPTION OF THIS DECISION

You may elect to sell Common Stock only, Preferred Stock only or both in this transaction.

Easy to follow questions

Just click on the box.

... with clear explanations.

Decisions can be grouped together for rapid assembly

Optional Purchaser Representations
File Edit Data Logic Back Help

- WILL PURCHASER REPRESENT AS TO ASSETS
- INCLUDE FOREIGN CITIZEN REPRESENTATION
- INCLUDE DISCLAIMER OF PURCHASER RELIANCE

OK

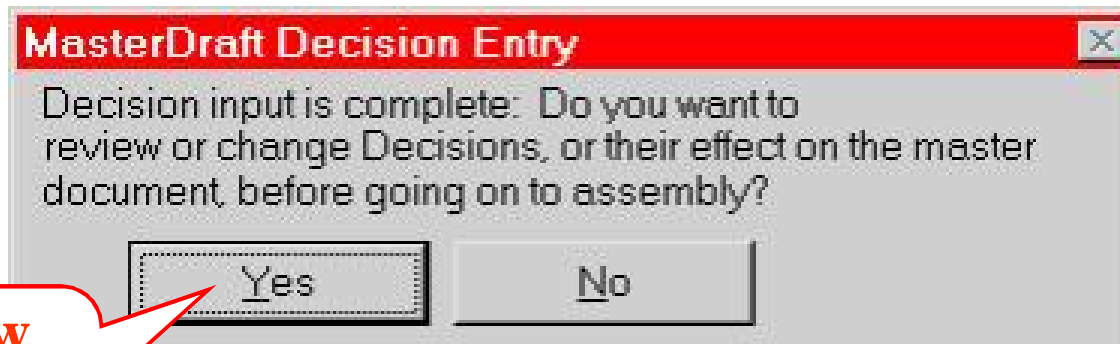
DESCRIPTION OF THIS MENU

You may select one or more, or none, of the above possible Purchaser representations and warranties to include in the Purchase Agreement.

Pick Any, All or None of the optional clauses

Just click on the box.

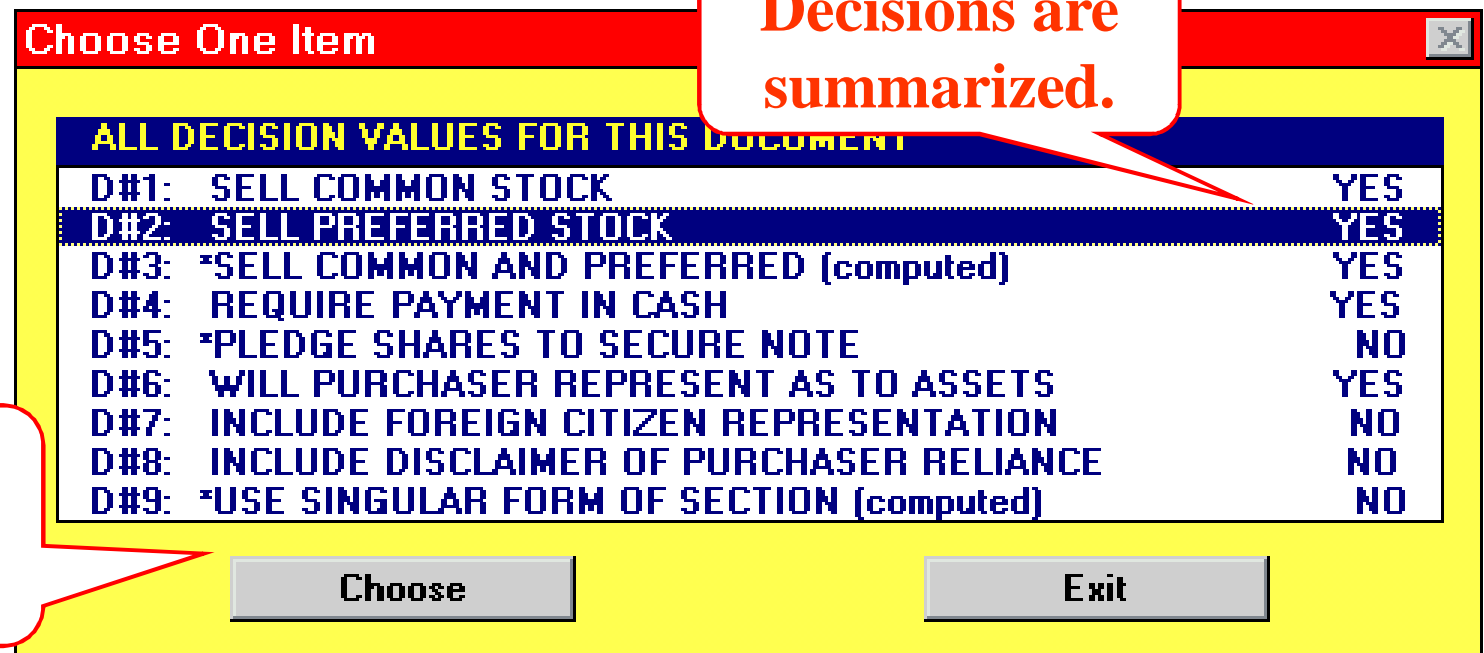
Review Decisions at a glance and make final changes



Review contract structure.

Decisions are summarized.

Changes are just a click away.



MasterDraft then guides you in filling out handy worksheets.

Facts About Seller Of Stock

Exit Help Save Blank Title

NAME OF SELLING CORPORATION Advanced Technologies Corp.

STATE OF SELLER'S INCORPORATION New Hampshire

TOWN WHERE SELLER IS LOCATED Essex

Click on the help menu.

No training is required. Just fill in the blanks.

MasterDraft Variable Template

Help Screen For Variable Entry

Enter the name of the town or city where the selling corporation is located. Do not include the state.

OK

Context-sensitive help

Powerful & Flexible Worksheets

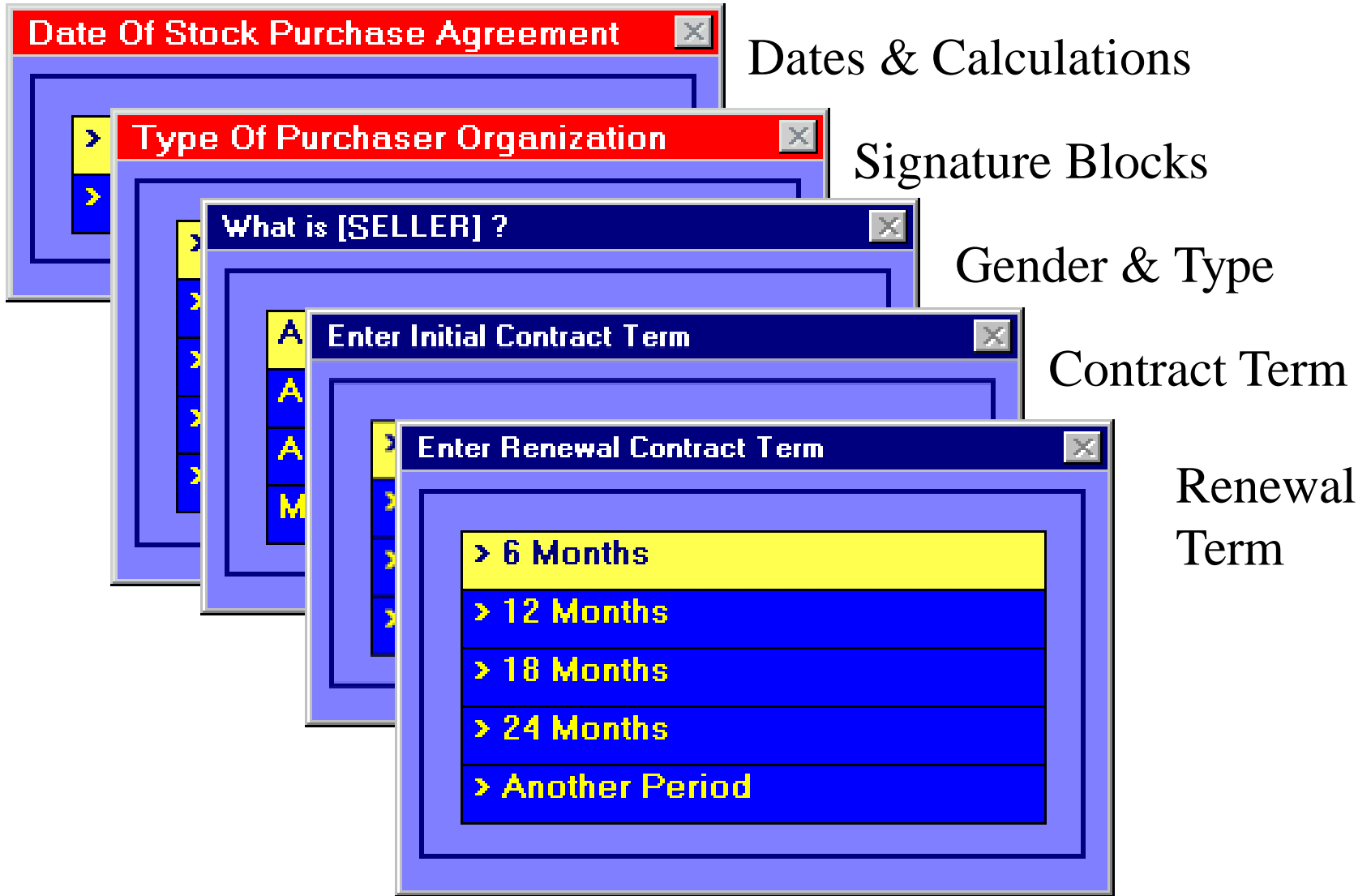
The image displays four overlapping windows from a software application, each with a red title bar and a menu bar. The windows are:

- Basic Data Entry:** Title bar: **Facts About Seller Of Stock**. Menu bar: Exit Help Save Blank Title.
- Multi-Line Variables:** Title bar: **Facts About Purchaser Of Stock**. Menu bar: Exit Help Save Blank Title.
- Variable Arrays:** Title bar: **Capitalization: Authorized Shares**. Menu bar: Exit Help Save Blank Title. Content: **NAME OF** (input field).
- Dynamic Worksheet:** Title bar: **Capitalization: Outstanding Shares**. Menu bar: Exit Help Save Blank Title. Content: A table with two columns and two main sections.

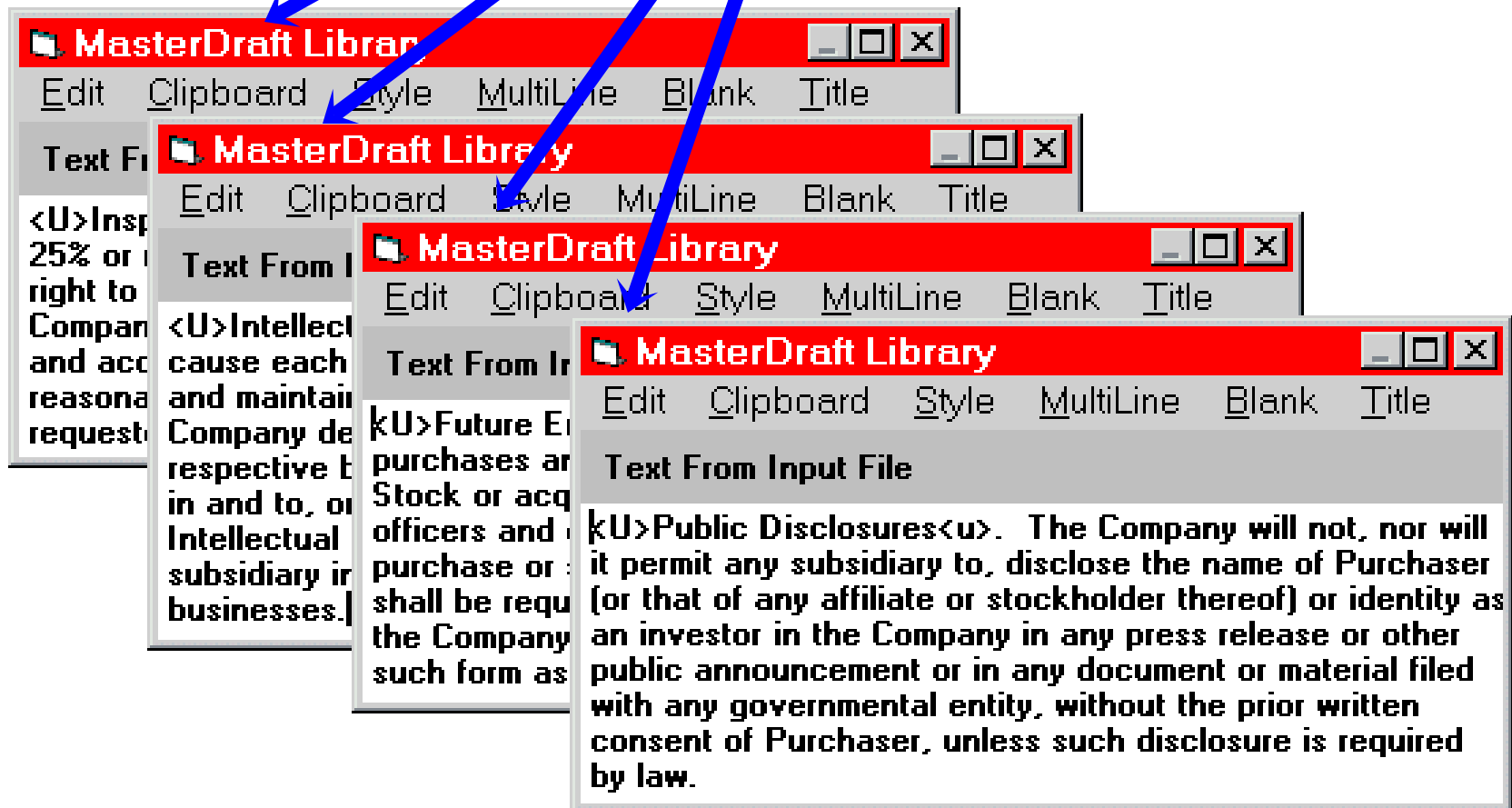
| KIND (Common, Series A Preferred) | |
|-----------------------------------|--------------------|
| 1st | Common |
| 2nd | Series A Preferred |
| 3rd | Series B Preferred |

| NUMBER OF SHARES OUTSTANDING | |
|------------------------------|---------|
| 1st | 724,285 |
| 2nd | 550,000 |
| 3rd | 210,000 |

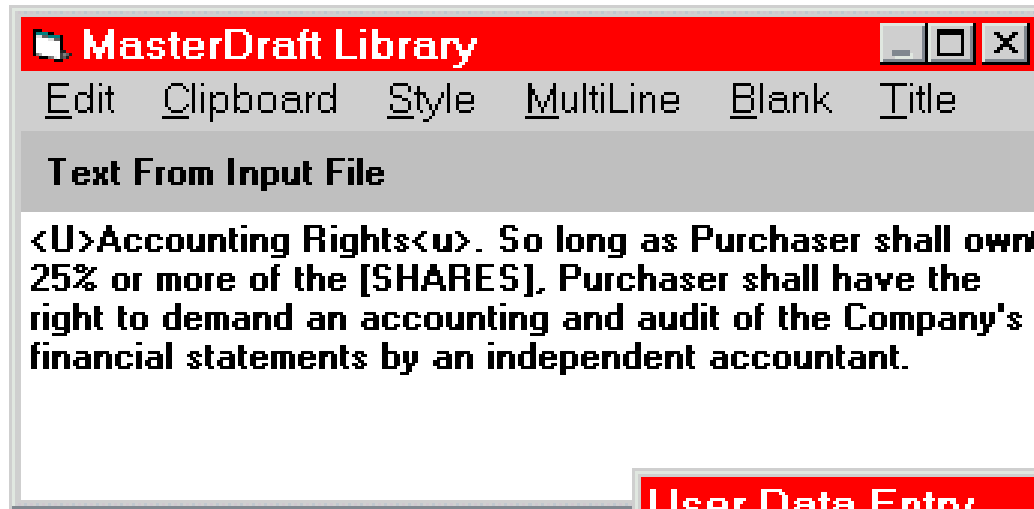
Menus Standardize Input of Data



Draw on Custom Clause Libraries



An Evolving Library



Give the entry a new title and identify the author.



New covenant ready for others to use

Special math, date & error checking functions set MasterDraft apart.

Enter Date

ENTER VALUE OF VARIABLE # 10

Edit Clipboard Style MultiLine Blank Title

CLOSING

1/24/99

Calculates day of the week

MasterDraft Special Functions

The date you have chosen: January 24, 1999 is a Sunday ...

Date is properly formatted

ENTER VALUE OF VARIABLE # 10

Edit Clipboard Style MultiLine Blank Title

CLOSING DATE

January 25, 1999

It's a Sunday. Choose another day.

MasterDraft Options

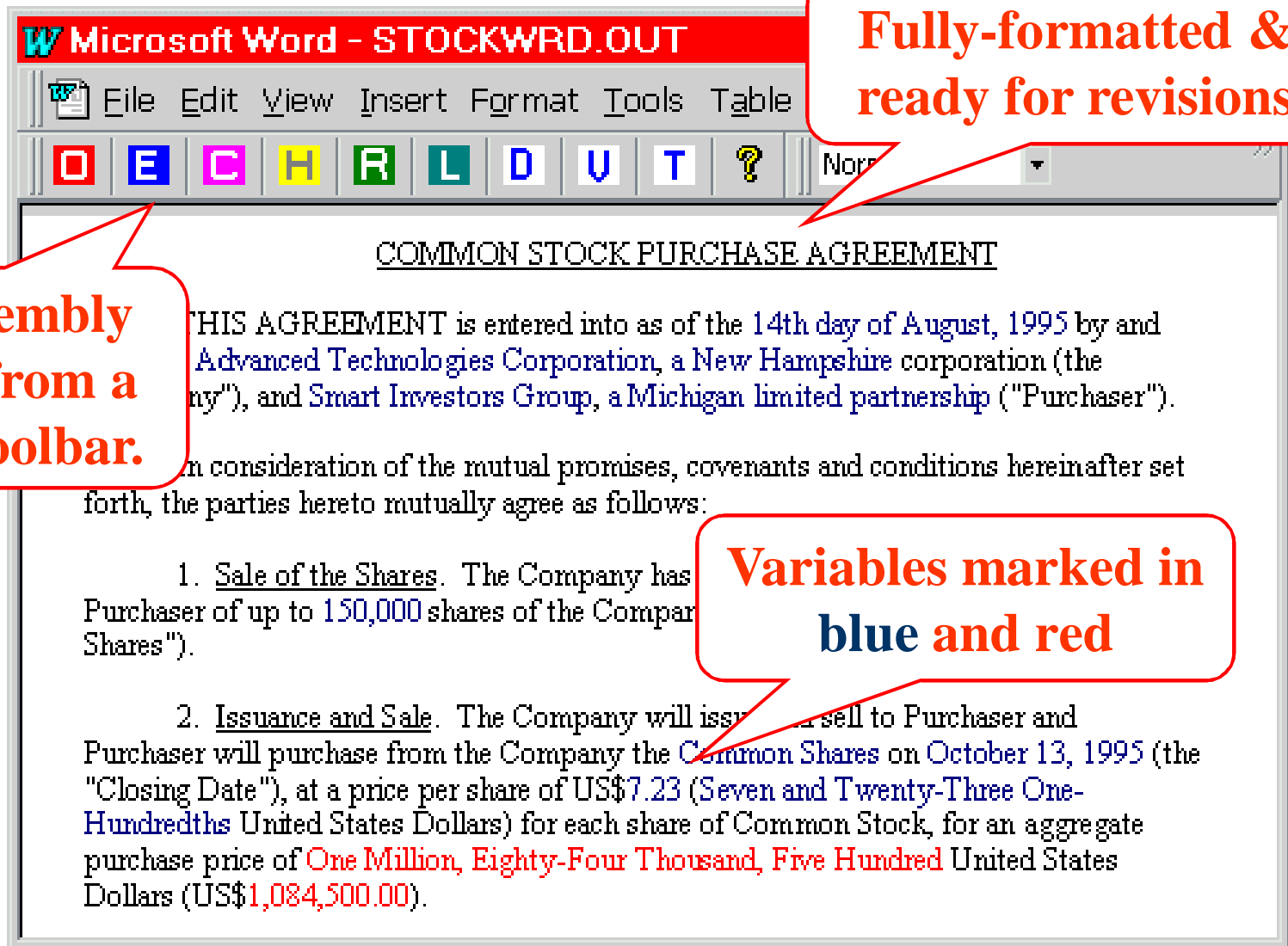
!! ERROR !! Input failed condition:

The Closing Date must be a weekday. Choose another date.

Try Again

OK As Is

Launch Word for Further Editing

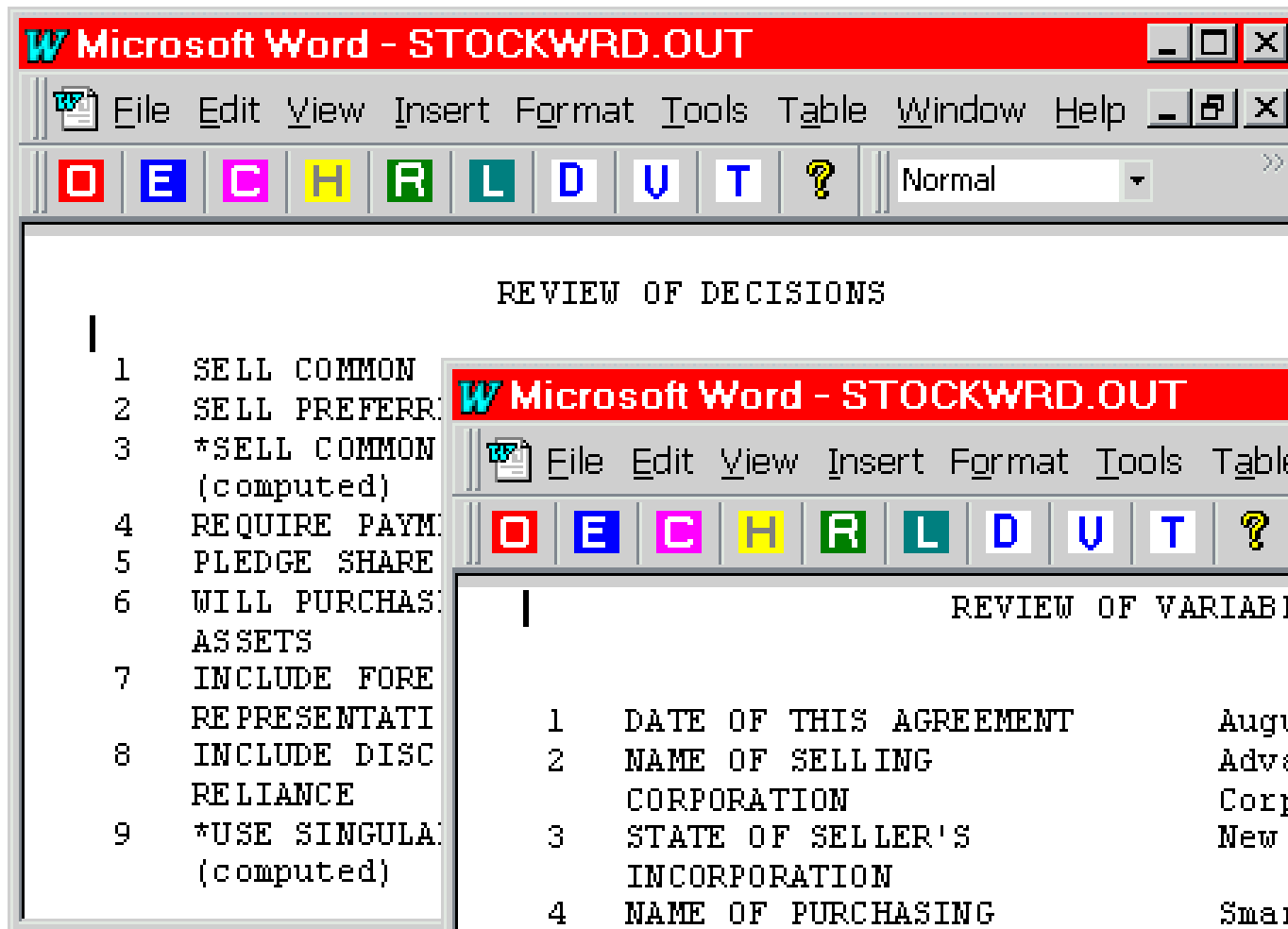


Fully-formatted & ready for revisions

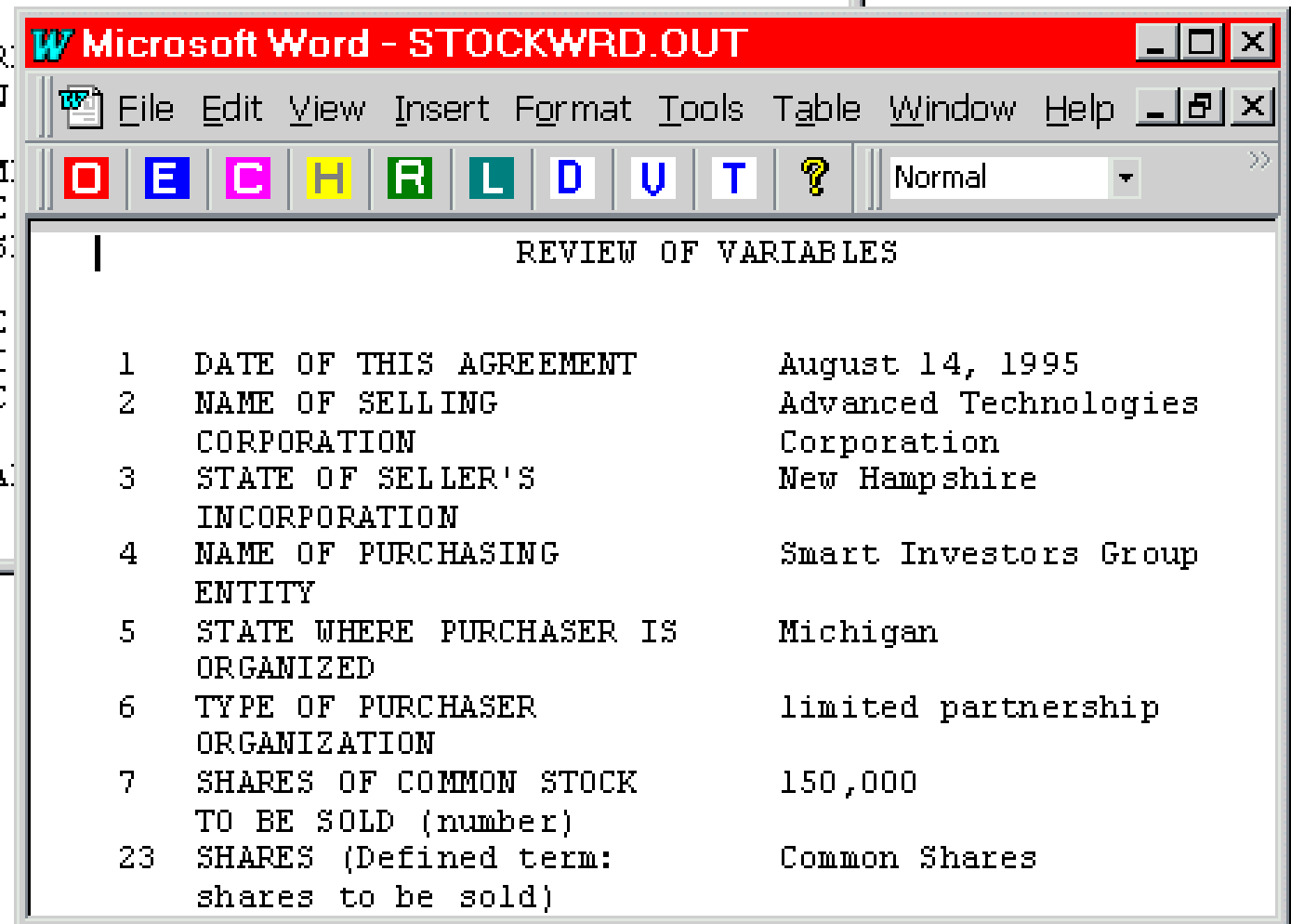
Post-assembly macros from a special toolbar.

Variables marked in blue and red

Review Decisions



Review Variables



Text and Number Variables are Easily Changed

Microsoft Word - STOCKWRD.OUT

File Edit View Insert Format Tools Table Window Help

Normal

Click on the Edit button.

COMMON STOCK PURCHASE AGREEMENT

THIS AGREEMENT is entered into as of the 14th day of August, 1995 between Advanced Technology Corporation ("Company"), and Smart Investor ("Purchaser").

In consideration of the purchase price set forth herein, the parties hereto agree as follows:

- Sale of the Shares. The Company will sell to Purchaser of up to 150,000 Shares ("Shares").
- Issuance and Sale. The Company will issue and sell to Purchaser and Purchaser will purchase from the Company the Common Shares on October 13, 1995 (the "Closing Date"), at a price per share of **US\$7.23** (Seven and Twenty-Three One Hundredths United States Dollars) for each share of Common Stock. The total purchase price of **One Million, Eighty-Four Thousand, Five Hundred Dollars (US\$1,084,500.00)**.

MasterDraft Edit Function

Replace: COMMON PRICE

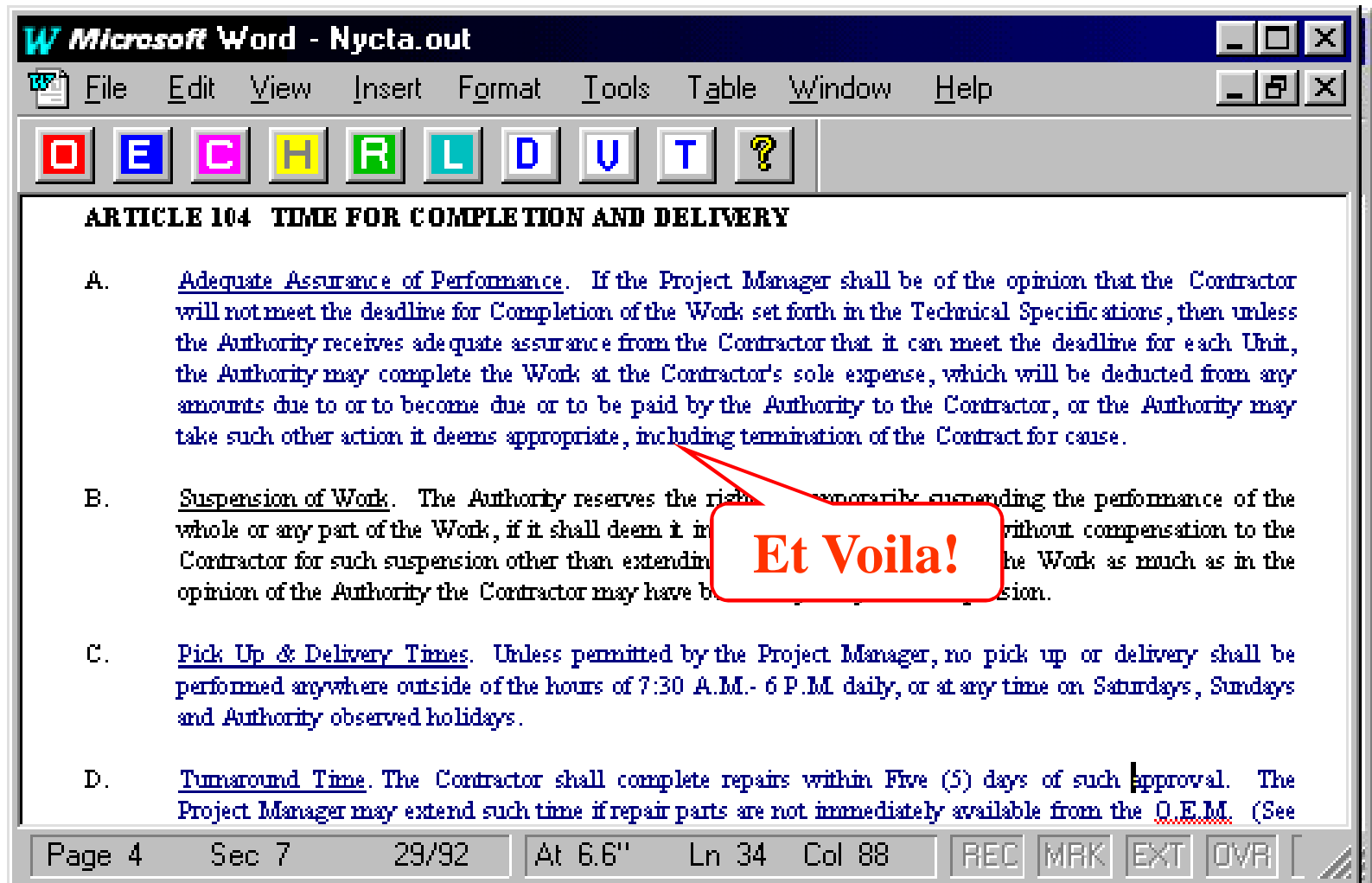
OK

Cancel

7.23

Select share price variable.

Access clause libraries for post-assembly editing.



The screenshot shows a Microsoft Word 97 window titled "Microsoft Word - Nycta.out". The menu bar includes File, Edit, View, Insert, Format, Tools, Table, Window, and Help. The toolbar contains icons for Bold, Italic, Underline, Color, Font Color, Paragraph, Bullets, Numbering, and Help. The document content is as follows:

ARTICLE 104 TIME FOR COMPLETION AND DELIVERY

A. Adequate Assurance of Performance. If the Project Manager shall be of the opinion that the Contractor will not meet the deadline for Completion of the Work set forth in the Technical Specifications, then unless the Authority receives adequate assurance from the Contractor that it can meet the deadline for each Unit, the Authority may complete the Work at the Contractor's sole expense, which will be deducted from any amounts due to or to become due or to be paid by the Authority to the Contractor, or the Authority may take such other action it deems appropriate, including termination of the Contract for cause.

B. Suspension of Work. The Authority reserves the right to temporarily suspend the performance of the whole or any part of the Work, if it shall deem it in the best interest of the Authority, without compensation to the Contractor for such suspension other than extending the time for completion of the Work as much as in the opinion of the Authority the Contractor may have been entitled to receive in the event of such suspension.

C. Pick Up & Delivery Times. Unless permitted by the Project Manager, no pick up or delivery shall be performed anywhere outside of the hours of 7:30 A.M.- 6 P.M. daily, or at any time on Saturdays, Sundays and Authority observed holidays.

D. Turnaround Time. The Contractor shall complete repairs within Five (5) days of such approval. The Project Manager may extend such time if repair parts are not immediately available from the O.E.M. (See

A red callout box with the text "Et Voila!" points to the word "suspend" in clause B.

Page 4 Sec 7 29/92 At 6.6" Ln 34 Col 88 REC MRK EXT DVR

Picklists allow for standard options

Then,
on e

Microsoft Word - Nycta.out

File Edit View Insert Format Tools Table Window Help

O E C H R L D U T ?

ARTICLE 103 TERM OF CONTRACT

A. The term of the Contract shall be from the Notice of Award until the later of the date of the return to the Authority of the last Unit picked up or **Twenty-Four (24) months** from the Notice of Award, unless extended by the Authority.

ARTICLE 104 TIME FOR COMPLETION AND DELIVERY

A. Adequate Assurance of Performance. If the Project **that the Contractor** will not meet the deadline for Completion of the Work set forth in the technical specifications, then unless the Authority receives adequate assurance from the Contractor that it can meet the deadline for each Unit, the Authority may complete the Work at the Contractor's sole expense, which will be deducted from any amounts due to or to become due or to be paid by the Authority to the Contractor, or the Authority may take such other action it deems appropriate, including termination of the Contract for cause.

B. Suspension of Work. The Authority reserves the right of temporarily suspending the performance of the whole or any part of the Work, if it shall deem it in its best interest so to do, without compensation to the Contractor for such suspension other than extending the time for completing the Work as much as in the

Page 4 Sec 7 29/92 At 5.5" Ln 27 Col 51 REC MKR EXT DVR

Terms is now
updated.

A Contract Database is automatically updated.

The screenshot shows a Microsoft Access database window titled "Contract Information" in Form View. The menu bar includes File, Edit, View, Records, Help, and Report. A red callout bubble points to the Report menu, which is open, showing options like "Awards By Bidder (Alpha)", "Contracts by Advertisement Date", and "Contracts by Type and Award". Another red callout bubble points to the "Generate a report." text. A third red callout bubble points to the "No need for contract analysts to re-enter data." text. The form contains various fields for contract details, including Project Description, Contract Type, Funding Source, Proc. Specialist, Project Manager, Insurance, and Estimated Contract Value.

Generate a report.

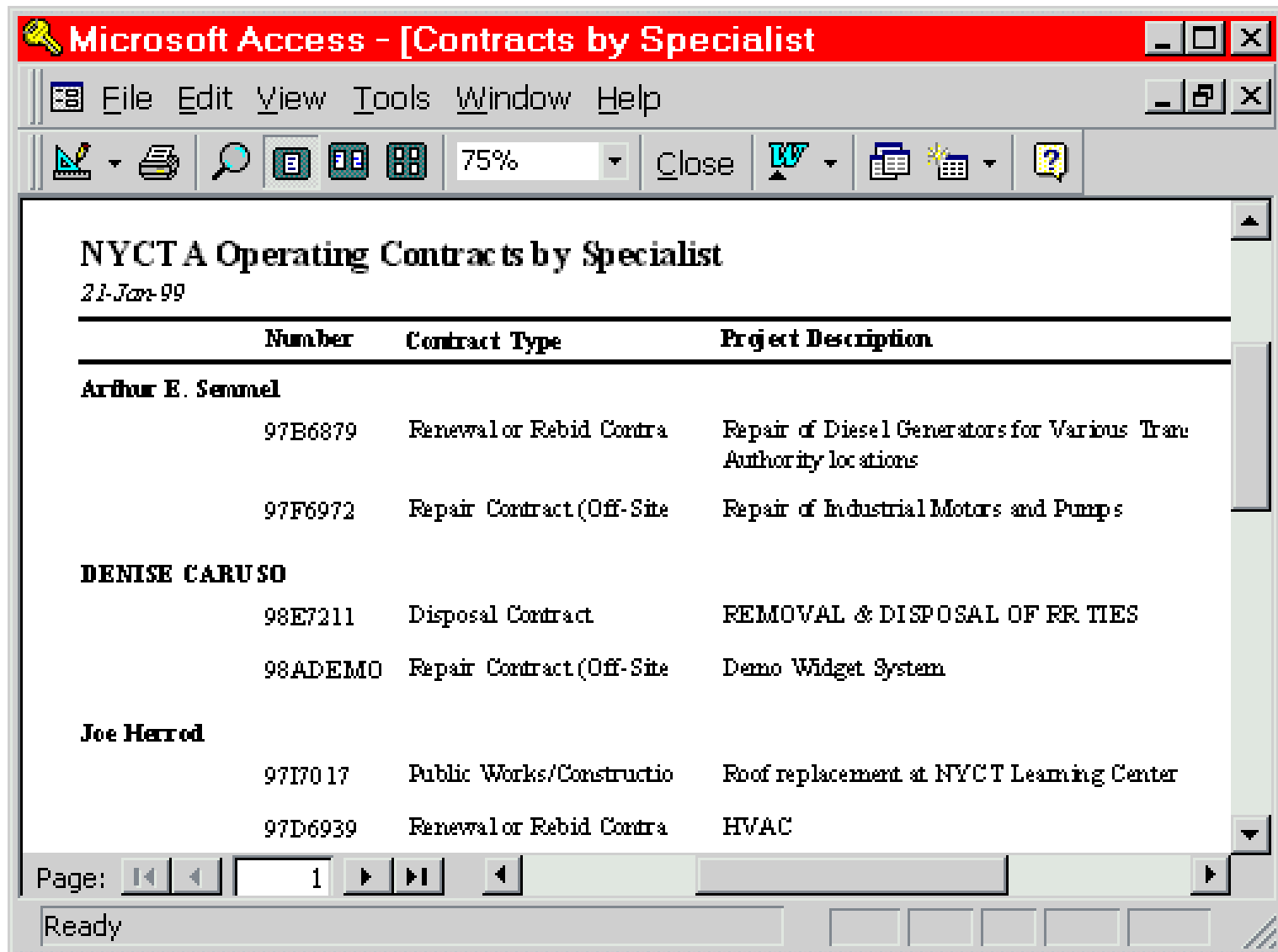
No need for contract analysts to re-enter data.

| | | | |
|-----------------------------|----------------------------|--|------------------------|
| Project Description: | Repair and Replac | | |
| Contract Type: | Repair Contract (Off-Site) | Construction? | No |
| Funding Source: | No Federal Funding | IMPORTANT DATES: | |
| Proc. Specialist: | Joseph Herrod | Advertisement of Bid Authorized | |
| Project Manager: | Jim Curry | | |
| INSURANCE: | | | |
| Required? | No | Received? | |
| WINNING BIDDER: | | | |
| Company Name | | Est. Contract Value: | \$200,000.00 |
| | | Est. Value Range: | \$100,000 to \$249,000 |

Record: 1 of 2

Form View

With accurate and timely data . . .



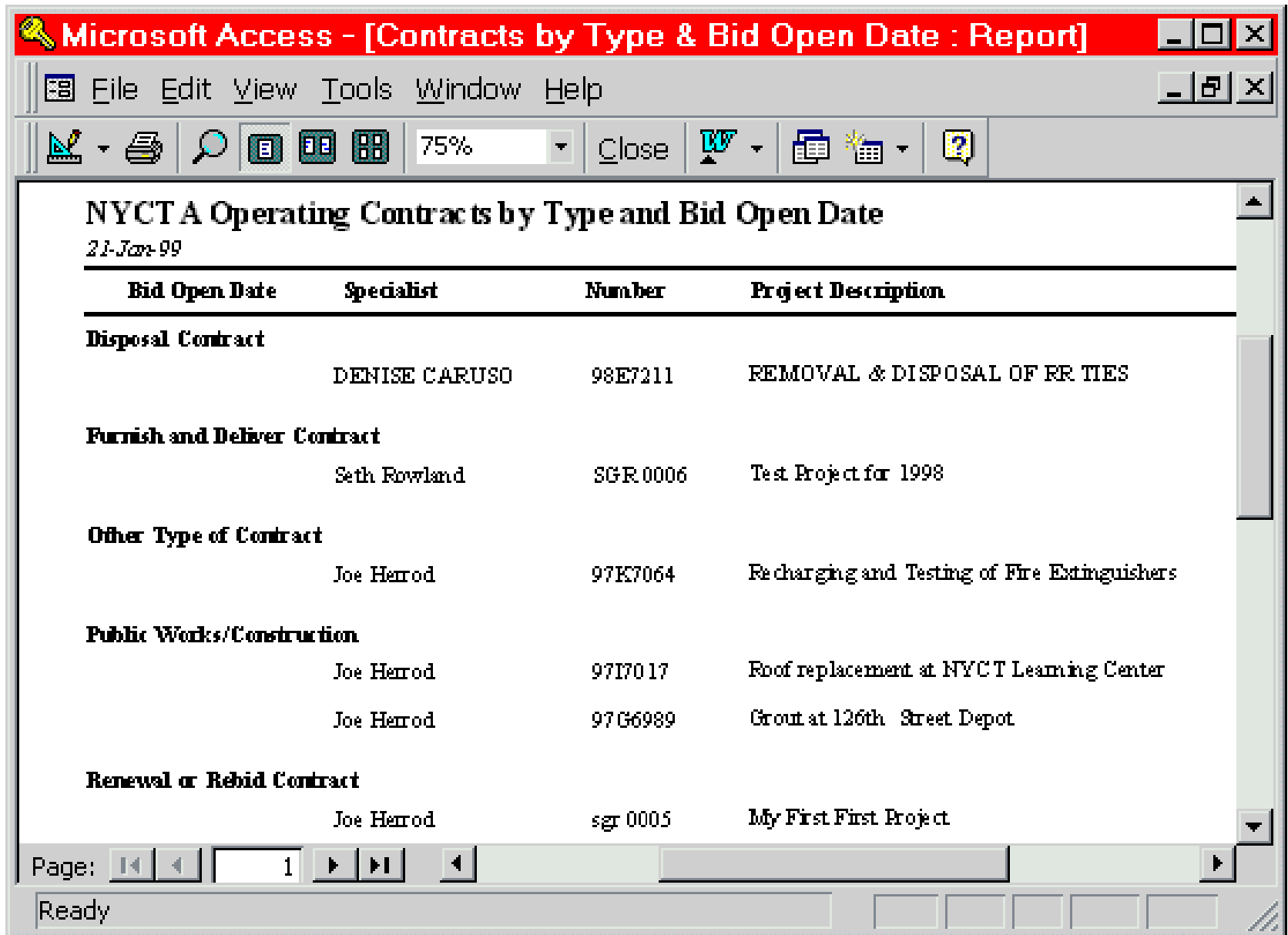
The screenshot shows a Microsoft Access window titled "Microsoft Access - [Contracts by Specialist]". The window displays a table with the following data:

| NYCTA Operating Contracts by Specialist | | |
|---|---------------------------|---|
| 21-Jan-99 | | |
| Number | Contract Type | Project Description |
| Arthur E. Semmel | | |
| 97B6879 | Renewal or Rebid Contra | Repair of Diesel Generators for Various Trans Authority locations |
| 97F6972 | Repair Contract (Off-Site | Repair of Industrial Motors and Pumps |
| DENISE CARUSO | | |
| 98E7211 | Disposal Contract | REMOVAL & DISPOSAL OF RR TIES |
| 98ADEMO | Repair Contract (Off-Site | Demo Widget System |
| Joe Herrod | | |
| 97I7017 | Public Works/Constructio | Roof replacement at NYCT Learning Center |
| 97D6939 | Renewal or Rebid Contra | HVAC |

Page: 1

Ready

... Reports and ticklers are easy

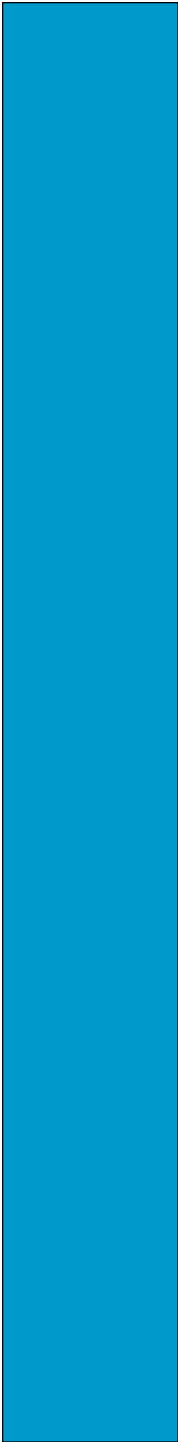


The screenshot shows a Microsoft Access window with a red title bar. The menu bar includes File, Edit, View, Tools, Window, and Help. The toolbar contains various icons for printing, searching, and zooming. The report content is as follows:

| Bid Open Date | Specialist | Number | Project Description |
|-------------------------------------|---------------|----------|--|
| Disposal Contract | | | |
| | DENISE CARUSO | 98E7211 | REMOVAL & DISPOSAL OF RR TIES |
| Furnish and Deliver Contract | | | |
| | Seth Rowland | SGR.0006 | Test Project for 1998 |
| Other Type of Contract | | | |
| | Joe Herrod | 97K7064 | Recharging and Testing of Fire Extinguishers |
| Public Works/Construction | | | |
| | Joe Herrod | 97I7017 | Roof replacement at NYCT Learning Center |
| | Joe Herrod | 97G6989 | Grout at 126th Street Depot |
| Renewal or Rebid Contract | | | |
| | Joe Herrod | sgr 0005 | My First First Project |

Page: 1

Ready



Recap: What will this system allow you to do?

- Reengineer the creation of contract documents.
- Build expert assembly system that is flexible and up-to-date.
- Train your contract specialists.
- Reap cost-saving efficiencies.
- Promote quality control and consistency.
- Control and empower your non-legal staff.
- Build libraries of knowledge.

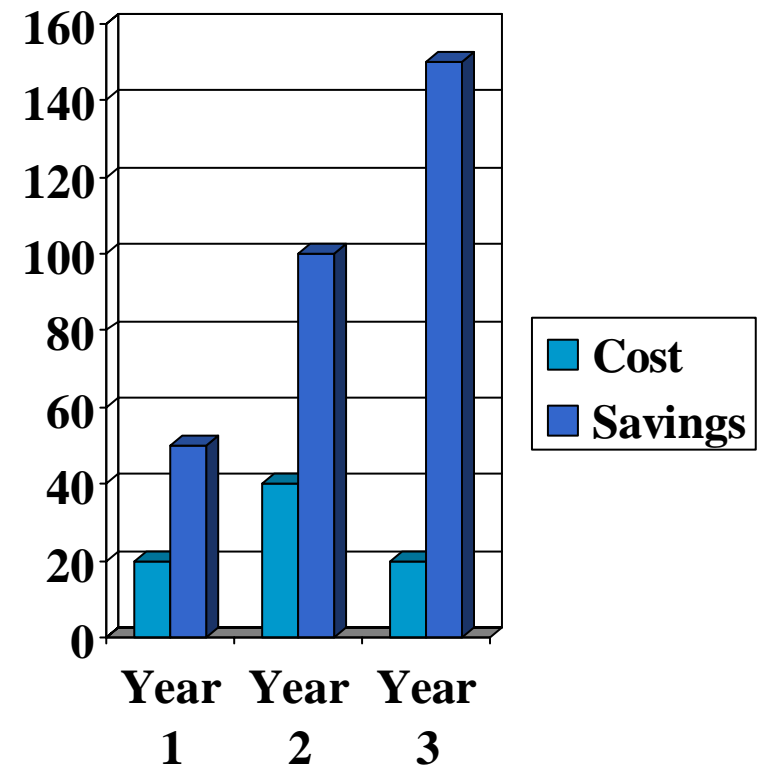


MasterDraft: A Powerful Tool . . .

- Full License — \$1295
(Author & Assembly)
- Run-Time License — \$300
(Assembly Only)
- Volume Discounts and Site Licenses
- Consulting Services for a Fixed Fee
- Service and Maintenance Agreements

. . . that Pays for Itself (ROI)

- Year 1. Modest savings from pilot
- Year 2. Substantial savings from roll-out
- Year 3. Continuing savings with low carrying costs

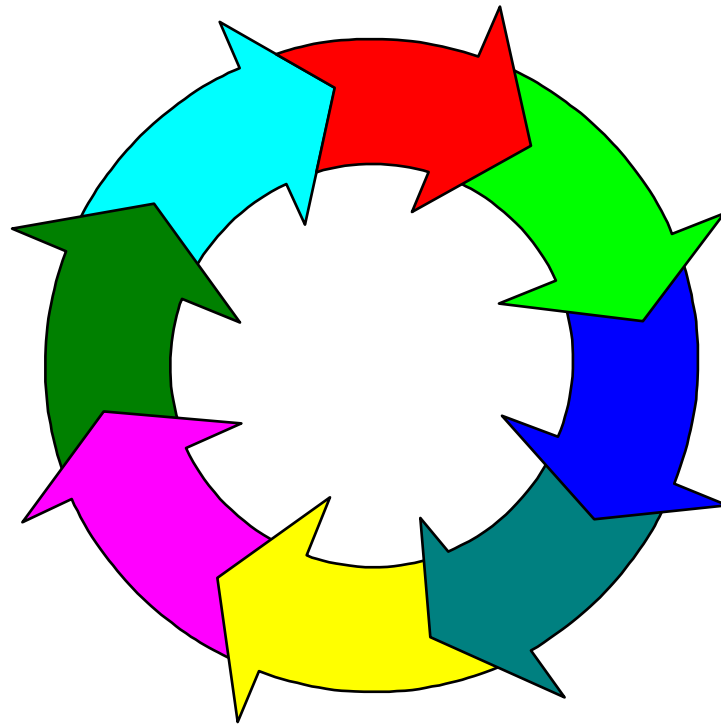




Benefits of Immediate Implementation

- Eliminate work backlog
- Streamline document drafting
- Avoid costly errors
- Produce consistent quality work
- Deliver one-time and on-budget
- Track contract terms

Overview of Authoring Process



Create a master document in Word using easy to apply codes.

Microsoft Word - nyctdemo.rtf

File Edit View Insert Format Tools Table Window Help

NEW YORK CITY TRANSIT AUTHORITY
Division of Materiel — Procurement Sub-Division

{C@FDLS}

Information For Bidders

Contract Number: [CONTRACT NUMBER]
Title/Description: [PROJECT DESCRIPTION]
Procurement Specialist: [PROCUREMENT SPECIALIST]
Telephone No: (718) 694-1422[EXTENSION OF PROCUR
Bid Opening Date/Time: _____ at 2:00 P.M. Local Time

If the boxes below are checked, the appropriate Schedules are attached and the Contract Documents: (Schedules not so checked are not incorporated here)

LIST OF SCHEDULES

DESCRIPTION INCLUDED (if checked)

| | |
|--|--|
| A - Insurance and Bonding Requirements | {10 @Schedule A Included <input checked="" type="checkbox"/> }{-10 @ <input type="checkbox"/> |
| B - Site Inspection/Pre-Bid Conference | {11 @ Schedule B Included <input checked="" type="checkbox"/> }{-11 @ <input type="checkbox"/> |
| C - DBE Program Provisions | {12 @ Schedule C Included <input checked="" type="checkbox"/> }{-12 @ <input type="checkbox"/> |
| D - Federal Contract Provisions | Schedule D Included <input checked="" type="checkbox"/> |
| E - Federal Contract Provisions - Construction | {13 @ Schedule E Included <input checked="" type="checkbox"/> }{-13 @ <input type="checkbox"/> |
| F - Federal Certification and Disclosure Forms | Schedule F Included <input checked="" type="checkbox"/> |
| G - Rider to Contract Documents | Schedule G Included <input checked="" type="checkbox"/> |

Use square brackets [] and capitalized text to indicate variables.

Use braces { } to enclose text governed by decisions.

Author looks for new Variable & Decision Codes to Interpret

The screenshot displays the MasterDraft software interface. At the top, the title bar reads "MasterDraft Author: D:\DATA\CLIENT~1\NY". Below this, a status bar indicates "[READING SECTION 1] Processing: Percentage". The main text area contains the following prompts:

- Contract Number:[CONTRACT NUMBER]
- Title/Description:[PROJECT DESCRIPTION]
- Procurement Specialist:[PROCUREMENT SPECIALIST]
- Telephone No:([18] 694-V#22[EXTENSION OF PROCUREMENT SPECIALIST])

A "MasterDraft Options" dialog box is open, showing a yellow warning message: "NO PROMPT HAS BEEN DEFINED FOR VARIABLE #1". Below it, the "Variable Prompt Definition" dialog box is active, showing the "Prompt for Variable #1" field with the text "CONTRACT NUMBER".

Annotations in red speech bubbles provide additional information:

- A bubble pointing to the variable names in brackets: "Variables are designated by capitalized text in square brackets: []".
- A bubble pointing to the "Prompt for Variable #1" field: "Click on 'Prompt'".
- A bubble pointing to the variable name in the dialog: "The Default Prompt is the Name of the Variable in Brackets."

Call Up the Variable Design Window

The screenshot shows a software window titled "Variable Design Window" with a menu bar containing "File", "Value", and "Logic". The main area is titled "Definitions For Variable #1" and contains a table of variable properties. Below the table is a grid of radio button options for configuring the variable.

| Definitions For Variable #1 | |
|-----------------------------|-----------------|
| Prompt | CONTRACT NUMBER |
| Short Name | CONTRACT NUMBER |
| Description | None |
| Condition(s) | |
| Test | |
| Computation | |
| List | None |
| Template | None |
| Type | Not defined |

| | | |
|--|--|--|
| <input type="radio"/> <u>B</u> asic Prompt | <input type="radio"/> <u>S</u> hort <u>N</u> ame | <input type="radio"/> <u>D</u> escription |
| <input type="radio"/> <u>C</u> ondition(s) | <input type="radio"/> <u>T</u> est | <input checked="" type="radio"/> <u>C</u> omputation |
| <input type="radio"/> <u>L</u> ist | <input type="radio"/> <u>T</u> emplate | <input type="radio"/> <u>T</u> ype |
| <input type="radio"/> <u>L</u> ines | <input type="radio"/> <u>U</u> ser Function | <input type="radio"/> <u>E</u> xit |

This box summarizes the variable, including description, any special conditions, and presentation format.

The toggle switches in this box allow you to shape the variable by choosing among a range of options.

Continue Processing the Master

The screenshot shows the MasterDraft software interface. At the top, the title bar reads "MasterDraft Author: NYCTDEMO" and the status bar shows "[READING SECTION 1] Processing: Percent". The main window displays a list of decision codes:

- {10@Schedule A Included }{}
- B - Site Inspection/Pre-Bid Conference{11@ Schedule B Included }{}
- C - DBE Program Provisions{12@ Schedule C Included }{}
- D - Federal Contract Provisions Schedule D Included
- E - Federal Contract Provisions - Construction{13@ Schedule E Included }{}
- F - Federal Certification and Disclosure Forms Schedule F Included
- G - Rider to Contract Documents Schedule G Included
- H - Bidder's Qualification Questionnaire{14@ Schedule H Included }{}

A "MasterDraft Options" dialog box is open, showing a yellow background with the text "NO PROMPT HAS BE". Below it, a "Decision Prompt Definition" dialog box is open, showing the "Prompt for Decision #10" field with the text "Attach Schedule A - Insurance and Bonding Requirements".

MasterDraft stops at each new decision code and prompts you to formulate a question.

Click on the "Enter" button

Now enter the question or prompt as you wish it to appear.

Call Up the Decision Design Window.

The screenshot shows a window titled "Decision Design Window" with a menu bar containing "File", "Value", and "Logic". The main content area is titled "Definitions For Decision #10" and contains a table of decision details and a set of radio button options.

| | |
|--------------|--|
| Prompt | Attach Schedule A -- Insurance and Bonding ... |
| Short Name | None |
| Description | None |
| Condition(s) | |
| Menu | None |

Below the table are six radio button options:

- Basic Prompt
- Short Name
- Description
- Condition
- Menu
- Exit

This box summarizes the decision, including description, any special conditions, and presentation format.

The toggle switches in this box allow you to shape the decision by choosing among a range of options.

Build Condition Logic with Menus

Define A New Constraint

Edit Clip Number Text Date List Gender **Logic**

- WEEKDAY
- HOLIDAY**
- BIZDAY
- DECVAL

MasterDraft Constraint

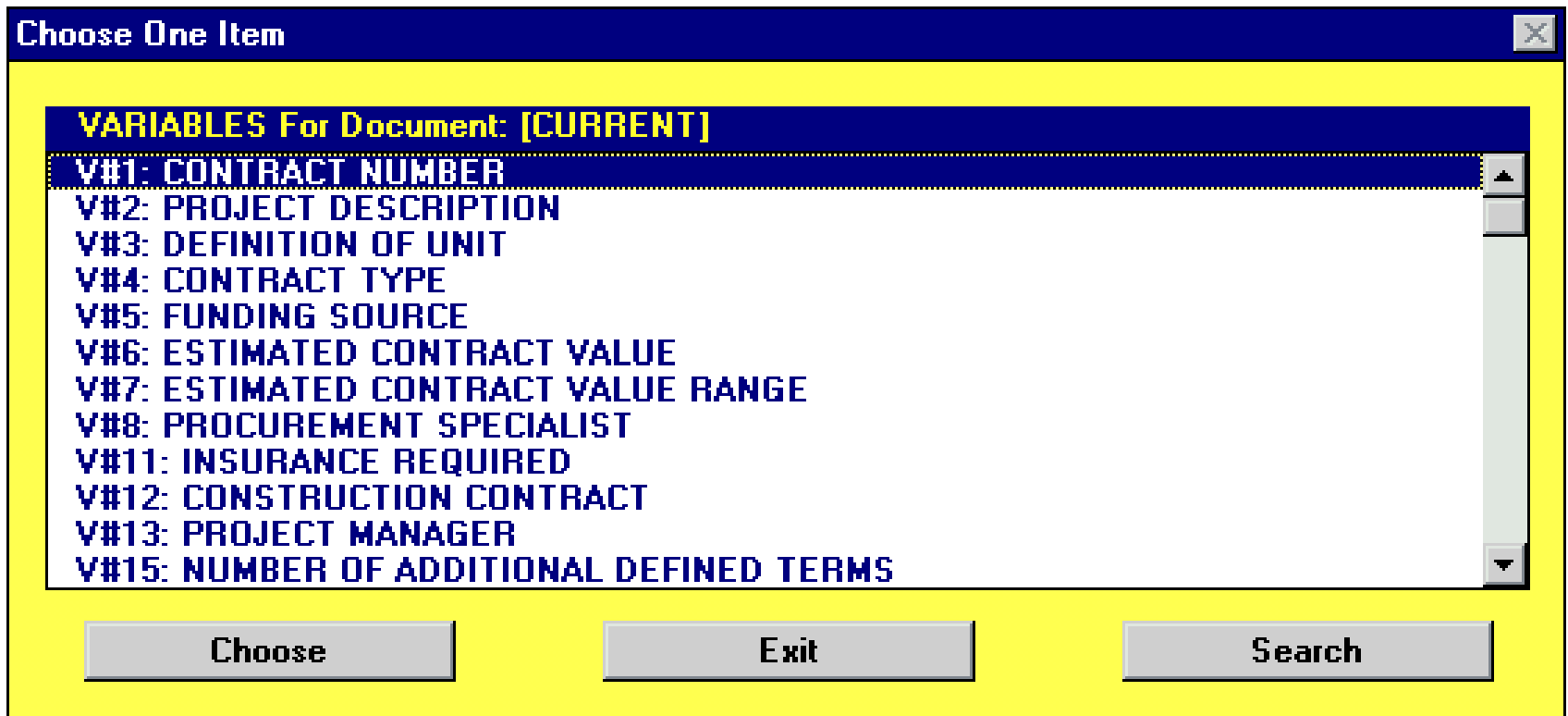
A constraint helps to determine the values of decisions and variables. It expresses a relationship between numbers, dates or strings (text) using the symbols <, <=, =, >=, > and <> (not equal).

Example: (Decision) D#1 = Y, or (Variable) V#3 = V#1 + V#2

Enter your Constraint below ...

|

Revisions Are Just A Click Away





And the Next Step

- Start with a Pilot System.
- Make Pilot System available to rest of department.
- Integrate Pilot System with a corporate contracts database.
- Add additional documents to the system.
- Improved efficiency without sacrificing quality of work.



For Additional Information

- Visit our website: www.masterdraft.com
- Contact First Draft at (212) 879-5190 to arrange for a consultant to visit.
- Consultant will provide a firm quote based on scope of project and number of licenses required after reviewing documents.
- Maintenance contract will allow clients to upgrade and revise underlying documents without additional development costs.