

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

GENISYS RESERVATION SYSTEMS INC

CIK: **827100** | IRS No.: **222719541** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934.

Date of Report (Date of earliest event reported) July 23, 1999

GENISYS RESERVATION SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

New Jersey
(State or Other Jurisdiction of Incorporation)

1-12689 22-2719541
(Commission File Number) (I.R.S. Employer Identification No.)

2401 Morris Avenue, Union, New Jersey 07083
(Address of principal executive offices) (Zip Code)

(908) 810-8767
(Registrant's telephone number, including area code)

ITEM 2. Acquisition or Disposition of Assets

Pursuant to the Asset Purchase Agreement dated as of June 30, 1998, NetCruise (a wholly owned subsidiary of the Company formed on July 21, 1998 for the purpose of operating an internet travel agency) acquired a technology license and certain related assets from UIT in consideration of 2,000,000 shares of the Company's Common Stock valued at \$1.25 per share, for an aggregate of \$2,500,000 and two warrants ("Warrants"), each entitling the holder to purchase

800,000 shares of the Common Stock of the Company (the "UIT Transaction"). One warrant is exercisable for 800,000 shares at \$2.50 per share and may be exercised between April 1, 2002 and June 30, 2002, but only if NetCruise achieves profits equal to or exceeding \$5,000,000 for the years 1999, 2000 and 2001. The other Warrant is exercisable for 800,000 shares at \$6.00 per share and may be exercised between April 1, 2002 and June 30, 2002, but only if NetCruise achieves profits equal to or exceeding \$10,000,000 for the years 1999, 2000 and 2001. No value has been placed on the warrants since each is contingent upon future earning.

The Asset Purchase Agreement speaks as of June 30, 1998 and the Company has also booked the transaction for financial purposes as of that date.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

1. Asset Purchase Agreement dated as of June 30, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Genisys Reservation Systems, Inc.
(Registrant)

By: /s/ John Wasko, Treasurer

DATED: March 26, 1999

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of June 30th, 1998 (together with the Exhibits attached hereto, the "Agreement"), by and among United Leisure Interactive, Inc., a Delaware corporation ("Seller"), NetCruise Interactive, Inc., a New Jersey Corporation and a wholly-owned subsidiary of Genisys ("Purchaser"), GENISYS RESERVATION SYSTEMS, INC., a New Jersey corporation ("Genisys"), and United Leisure Corporation, A Delaware corporation ("ULC").

W I T N E S S E T H:

WHEREAS, ULC is the sole shareholder of Seller and the owner of certain interactive technology which is the subject of a patent application (No. 08/899.712) filed by ULC with the United States Patent Office in July, 1997 (the "Technology"); and which amongst other things allows the consumer to "Be Your Own Travel Agent," and

WHEREAS, ULC has granted to Seller an exclusive, world-wide and perpetual license to use the Technology for all travel related applications (but for no other applications whatsoever), which grant has been confirmed by a writing between ULC and Seller dated June 19, 1998, a copy of which is attached as Exhibit A hereto (the "License"); and

WHEREAS, Seller wishes to sell to Purchaser, and Purchaser wishes to purchase from Seller, all of Seller's right, title and interest in and to (i) the business of Netcruise and technology which allows the consumer to "Be Your Own Travel Agent" (ii) the License, and (iii) the assets owned by Seller and described in Exhibit B hereto (collectively, the "Assets") upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, the parties hereby agree as follows:

1. Upon the terms and subject to the conditions of this Agreement, Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the Assets, free and clear of all liens and encumbrances, for an aggregate price of 2,000,000 shares of Genisys Restricted Common Stock (the "Shares") as described hereinafter. Upon tender to Purchaser of a bill of

sale for the Assets, Purchaser shall deliver to Seller certificates for the shares which shall bear the appropriate legends describing the restrictions which shall apply (see Exhibit E).

2. As an inducement to the Purchaser to enter into this Agreement, Seller hereby represents and warrants to the Purchaser as follows:

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all necessary corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Seller has its shareholder approval to consummate this Agreement. This Agreement constitutes the valid and legally binding obligation of Seller and ULC, enforceable in accordance with its terms and conditions. This transaction does not involve the sale of a significant percentage of the business or assets of ULC and does not require the approval of the ULC shareholders.

(b) Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgement, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Seller or ULC are subject or any provision of Seller or ULC's charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Seller or ULC are a party or by which they are bound or to which any of their assets are subject (or result in the imposition of any Security Interest upon any of their assets) other than in connection with the provisions of the Securities Exchange Act, the Securities Act and states securities laws. Neither Seller nor ULC need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement.

(c) Attached as Exhibit B hereto is a true, correct and complete copy of the list of Assets and the cost incurred by Seller of acquiring each of such Assets. Seller is the sole owner of the Assets and such Assets are free and clear of any Security interests. Such assets consist of all material assets necessary to conduct the business being purchased pursuant to this Agreement.

(d) The Seller will provide to Purchaser substantially all invoices, accounting records and such other evidence

supporting the information contained in Exhibit B.

(e) Exhibit B attached hereto sets forth a true and complete list and a brief description of all intellectual property owned by or licensed to Seller which are being transferred to Purchaser. All owned intellectual property is owned by the Seller free and clear of any encumbrance, and the Seller has a valid license to use all licensed intellectual property in the manner in which it is currently being used. No claims have been made, asserted or threatened against the Seller relating to its ownership or use of any intellectual property. The Seller has the right to transfer any licenses included in this transaction.

(f) There are no claims, actions, suits, proceedings or investigations pending before any federal, state, municipal or other court, governmental body or arbitration tribunal, or threatened against or affecting Seller's business or assets or the transactions contemplated by this Agreement, or any of the other documents or agreements among the parties referred to in this Agreement. There is no order, decree or judgement of any kind in existence enjoining or restraining Seller or its officers or employees or requiring any of them to take any action of any kind in respect of Seller's business.

(g) Purchaser shall be indemnified and held harmless by Seller for any losses or liabilities incurred by Purchaser arising out of or resulting from the inaccuracy of any representation or warranty contained in this Section 2.

(h) Seller and ULC have prepared and filed and will file on a timely basis with the appropriate federal, state, local and foreign governmental agencies all tax returns required to be filed; such returns as filed were true and correct in all material respects and Seller has paid or made provision for the payment of all taxes shown on such returns to be payable or which have or may become due pursuant to any assessment heretofore received by it.

3. As an inducement to the Seller to enter into this Agreement, Purchaser and Genisys hereby represent and warrant to the Seller as follows:

(a) Purchaser and Genisys are corporations duly organized, validly existing and in good standing under the laws of the State of New Jersey and have all necessary corporate

power and authority to execute and deliver this Agreement and to perform their obligations hereunder. This Agreement constitutes the valid and

legally binding obligation of Purchaser and Genisys, enforceable in accordance with its terms and conditions.

(b) The Shares shall be issued as fully paid and non-assessable Common Stock, having a par value of \$.0001 per share out of authorized and unissued stock of Genisys, subject to the provisions of Exhibit E.

(c) Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgement, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Purchaser or Genisys are subject or any provision of Purchaser's or Genisys' charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Purchaser or Genisys is a party or by which they are bound or to which any of their assets are subject (or result in the imposition of any Security Interest upon any of their assets) other than in connection with the provisions of the Securities Exchange Act, the Securities Act and states securities laws. Neither Purchaser nor Genisys needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement.

(d) Purchaser and Genisys have prepared and filed and will file on a timely basis with the appropriate federal, state, local and foreign governmental agencies all tax returns required to be filed; such returns as filed were true and correct in all material respects and Purchaser and Genisys have paid or made provision for the payment of all taxes shown on such returns to be payable or which have or may become due pursuant to any assessment heretofore received by them.

4. ULC agrees to cooperate and assist Purchaser to maintain and operate the Technology in consideration of the two common stock purchase warrants attached hereto as Exhibit C to be issued to Seller for the purchase of restricted shares of Genisys common stock. Both warrants are exercisable between April 1, 2002 and June 30, 2002. The services of Robert Eady shall be made available full time for a period of three months commencing on July 15th, 1998, and thereafter as and when

required by Purchaser and Genisys.

(a) The "X" warrant is for 800,000 shares exercisable at \$2.50 per share if the total pretax profits, as defined in the

warrant, for the years 1999, 2000 and 2001 from the business and assets being purchased equal or exceed \$5,000,000.

(b) The "Y" warrant is for 800,000 shares exercisable at \$6.00 per share if the total pretax profits, as defined in the warrant, for the years 1999, 2000 and 2001 from the business and assets being purchased equal or exceed \$10,000,000.

5. For a period of three years from the date hereof, Harry Shuster shall be Chairman of the Purchaser and Brian Shuster shall be President. Each of them shall be elected to the Board of Directors of Genisys promptly after the closing of the transaction referred to herein. The Board of Directors shall nominate and recommend to the Genisys shareholders the election of Harry Shuster and Brian Shuster as Directors of Genisys for each of the three years following the date hereof. Brian Shuster shall receive \$5,000 per month for his services and will be expected to devote approximately 30 - 40% of his time to the affairs of Genisys. In addition, Brian Shuster shall receive two stock purchase warrants attached hereto as Exhibit D each for 200,000 restricted shares of Genisys common stock exercisable between April 1, 2002 and June 30th, 2002. The "V" warrant is exercisable at \$2.50 per share if the total pretax profits, as defined in the warrant attached hereto as Exhibit D equal or exceed \$5,000,000 for the years 1999, 2000 and 2001. The "W" Warrant is for 200,000 shares and is exercisable at \$6.00 per share if such total pretax profits equal or exceed \$10,000,000.

6. Seller has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transaction contemplated by this Agreement.

7. Subject to obtaining the required consent of the Landlord, Seller shall assign to Purchaser, and Purchaser shall assume all of Seller's obligations under, that certain Commercial Lease dated March 1, 1996 between Seller and 1990 Westwood Blvd., Inc., a copy of which is attached as Exhibit F hereto.

8. This Agreement shall be governed by and interpreted in accordance with, the laws of the State of New Jersey. Any litigation which may be brought by either party will be filed in a Court of Law in the State of New Jersey.

9. ULC hereby agrees with Purchaser that now and forever it will not enter any facet of the travel industry in competition with Genisys or the business being purchased.

10. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

UNITED LEISURE CORPORATION
INC.

UNITED LEISURE INTERACTIVE,
SELLER

Harry Shuster
Chairman and Chief Executive
Officer

Harry Shuster
Chairman and Chief Executive
Officer

NETCRUISE INTERACTIVE, INC.
PURCHASER

GENISYS RESERVATION SYSTEMS, INC.

Larry Burk
President and Chief Executive
Officer

Larry Burk
President and Chief Executive
Officer

EXHIBIT A

SOFTWARE LICENSE AGREEMENT

This Agreement is entered as of June 19, 1998 between UNITED LEISURE CORPORATION, a Delaware corporation ("ULC"), and UNITED LEISURE INTERACTIVE, INC., a Delaware corporation ("ULI"), with reference to the following facts:

- a. ULC is the owner of all right, title and interest in certain proprietary computer software, know-how and related technology utilized in various interactive multimedia applications, and the subject of a patent application (No. 06/899,712) filed by ULC with the United States patent office in July, 1997.
- b. ULC desires to license to ULI and ULI desires to license from ULC, on the terms and conditions set forth below, the Technology (as hereinafter defined) for all travel related applications.

NOW, THEREFORE, in consideration of the agreement by ULC to cooperate with and assist ULI in maintaining and operating the Technology and the payment by ULI to ULC of \$1000, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. License of Product.

A. ULC hereby grants to ULI an exclusive, worldwide and perpetual license to use the Technology for all travel-related applications (but for no other applications whatsoever) (the "License"), to use and duplicate the materials described in the above referenced patent application together with all materials related thereto and all copyrights, patents, trade secrets, intellectual and other proprietary rights therein that may presently exist with respect thereto, including without limitation, source and object code, file and screen layouts, listings, reference manuals, operating instructions, procedures, documentation and methodology developed now or in the future in connection therewith (such software and related materials and items hereinafter being collectively referred to as the "Technology").

B. ULC agrees that the License above shall be exclusive.

C. Without the prior written consent of ULC, ULI may not transfer the License or sublicense any rights in or to the Technology granted ULI pursuant thereto; provided, however, that ULI may, without ULC's consent,

transfer the License and/or sublicense all or any part of its rights in or to the Technology granted pursuant thereto to Genisys Reservation Systems, Inc., a New Jersey corporation, or to any person or entity controlled, controlling or under common control therewith.

D. The License includes the right to copy the Technology or any part

thereof in object code, source code, printed or machine readable form and to disclose it to third parties in connection with development or maintenance services rendered by such third parties; provided reasonable security precautions are taken to prevent unauthorized copying or disclosure of the Technology or any part thereof; any such third party executes a confidentiality agreement with respect thereto; and that at all times ULC's ownership thereof is prominently displayed on all such copies.

2. Representations and Warranties of ULC. ULC represents and warrants to ULI as follows:

A. ULC is duly organized, validly existing corporation in good standing under the laws of the State of Delaware.

B. ULC has all requisite corporate power and authority to execute, deliver and perform this Agreement. The execution and delivery of this Agreement has been duly authorized by the Board of Directors of ULC; and the consummation of the transactions contemplated hereby does not require, on behalf of ULC, the consent, approval, or authorization of any person or public authority, other than consents, approval and authorizations which have already been obtained.

C. ULC is the sole owner of all right, title and interest in and to the Technology and is the originator of the Technology.

D. There are no outstanding or effective assignments, grants, liens, charges, licenses, mortgages, options or agreements, express or implied which may or can in any manner whatsoever limit, abridge, modify or defeat the rights to the License hereby conveyed to ULI.

E. The Technology is suitable for its intended use, of merchantable quality and free from material defects.

F. The Technology is based on trade secret information not known to the public or available elsewhere in the same or similar form. So long as the License is an exclusive license, ULC will take all reasonably necessary action to prevent any unauthorized reproduction or distribution of the Technology.

G. No claims have been asserted, or to the best of ULC's knowledge, are threatened, based upon any alleged infringement of any party's proprietary rights in connection with the License or the use of the Technology.

H. The execution and delivery of this Agreement by ULC does not, and the consummation of the transactions contemplated by this Agreement will not, result in the breach of any term or provision of, or constitute a default under any charter or article provision, bylaw, agreement, indenture, instrument, order, law or regulation to which ULC is or may be a party or by which it or its property is bound or result in the creation of any lien, charge, or encumbrance upon any of the property or assets of ULC.

3. Representations and Warranties of ULI. ULI hereby represents and warrants to ULC that:

A. ULI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

B. ULI has all requisite corporate power and authority to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by ULI has been duly authorized by the Board of Directors of ULI and the consummation of the transactions contemplated herein does not require, on behalf of ULI, the consent, approval or authorization of any person or public authority, other than those consents, approvals and authorizations which have already been obtained.

C. The execution and delivery of this Agreement by ULI does not, and the consummation of the transactions contemplated by this Agreement will not, result in the breach of any term or provision of, or constitute a default under any charter or article provision, bylaw, agreement, indenture, instrument, order, law or regulation to which ULI is or may be a party or by which it or its property is bound or result in the creation of any lien, charge, or encumbrance upon any of the property or assets of ULI.

4. Confidentiality. Except as may be otherwise required by law, all source codes and object codes for the Technology and any other confidential and proprietary information related thereto, whether existing now or in the future, shall be treated as strictly confidential and trade secret information and shall not be disclosed by ULI to any person, firm or other entity.

5. Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral and written, among the parties hereto with respect thereto. This Agreement may be amended by the parties hereto at any time, but only by an instrument in writing duly executed and delivered by each of the parties hereto.

6. Severability. If one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any of the other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

UNITED LEISURE CORPORATION

By:
Harry Shuster, President

UNITED LEISURE INTERACTIVE, INC.

By:
Harry Shuster, President

EXHIBIT B

A. Hard Assets (as per schedule of assets previously furnished to Purchaser).

B. Intellectual Properties.

The name "Netcruise", the logo and the design of the name "NetCruise", the Internet address "WWW.NetCruise.com", the graphics and layout of any of the Cruise related web pages and designs.

C. License.

The exclusive, worldwide and perpetual License to use the Technology for all travel related applications (but for no other applications whatsoever), which worldwide and perpetual License was granted and has been confirmed by a writing between United Leisure Corporation and seller dated June 19, 1998, a copy of which is attached to the within Asset Purchase Agreement as Exhibit A thereto.

Seller makes no other representations or warranties of any kind, express or implied, with respect to the License or the Assets (including the intellectual properties), including, without limitation, representations or warranties of merchantability, fitness for a particular purpose, patentability or non--infringement.

D. The name "United Leisure Interactive" and any rights associated therewith.

SCHEDULE OF ASSETS

Cisco router, 2514
CSU/DSU (Adtran)
Sun Sparc-20
External Disk Unit
Monitor
Keyboard
Mouse wlpad
8mm Tape Backup Sun Sparc-S
Monitor
Keyboard
4mm Tape Backup (no cable)

UPS
Cable to Sparc-20
Epson page scanner
Archive stack 4mm tape deck Networker software
Yamaha CD writer
"The Key"
2 video tapes
interface adapter
Netcruise
Multiple MPEG CD's Source video tapes
1/4" Video source tapes
35mm Slides of cabins and various related pictures UFD Trailer Reel Video Tape
All cruise video master footage 8 - PC computers 2 -IBM laptop computers 4
-printers 1 -color printer Software Solaris Operating system Sparc-20 Solaris
Operating system Sparc-S Netscape Server With upgrades inc: Suite Spot Software
live wire Informix Database Proxy Server Mail Server News Server Catalog Server
Directory Server Caiendar Server Powerchute Software upgraded for Sparc-S

Other Misc hardware and manuals/books and documentation as delivered from vendors including patches as delivered from vendor

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UNITED LEISURE INTERACTIVE ANALYSIS

	1995	1996	1997	1998 (5 MOS)	TOTAL
Payroll expenses	90000.00			10000.00	19000.00
Consulting fees	71000.00	210618.00	200829.00	86025.00	568472.00
Health Insurance	396.60	174.37			570.97
Payroll taxes	989.50				989.50
Workers' Comp Ins	103.68				103.68
Accounting services	4000.00	24000.00	24000.00	10000.00	62000.00
Auto expenses	194.64	703.27	14.76		912.67
Supplies		3941.60	195.48		4137.08
Equipment rental		7200.00			7200.00
Repair & Maintenance				175.00	175.00
Insurance		100.00		20.83	120.83
Property tax			437.13	363.95	801.08
Rent	5174.00	3104.00	31044.00	13194.00	80456.00
Advertising		107.84	644.00		751.84
Promotion		1423.98	326.00	344.00	2093.98
Bank charges			10.25	20.00	30.25
Computer expenses	644.66	5227.41	5650.06	3814.99	15337.12
Dues & subscriptions		31.94	218.00		249.94
Legal fees	2459.50	20174.95	11591.50	2500.00	36725.95
Licenses	1374.40	780.06	344.75		2499.21
Office expenses	2495.66	14443.70	15391.25	6756.23	39086.84
Postage		327.00	78.13	13.50	418.63
State Franchise Taxes		50.00	50.00	850.00	950.00
Telephone	1332.06	10787.13	5799.88	750.33	18669.38
Travel	16930.55	3269.62	734.17		20934.34
Software development costs		124746.12			124746.12
Interest expense		33.47			33.47
Computer equipment	25108.06	37518.17	13838.21	169.00	76633.44

</TABLE>

EXHIBIT C

Warrant to Purchase up to 800,000
shares of Common Stock

GENISYS RESERVATION SYSTEMS, INC.
Class X Common Stock Purchase Warrant

June 30, 1998

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), NOR UNDER ANY STATE SECURITIES LAW AND SHALL NOT BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED IN VIOLATION THEREOF UNTIL EITHER (i) A REGISTRATION STATEMENT WITH RESPECT THERETO IS DECLARED EFFECTIVE UNDER THE ACT AND APPLICABLE STATE SECURITIES LAW OR (ii) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE HOLDER OF SUCH SECURITIES WHICH OPINION IS REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SECURITIES MAY BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

THIS CERTIFIES THAT United Leisure Interactive, Inc. (herein after sometimes called the "Holder") is entitled to purchase from Genisys Reservation Systems, Inc., a New Jersey corporation (the "Company"), at the price and during the periods as hereinafter specified, up to 800,000 shares of the Company's Common Stock (the "Common Stock").

1. The rights represented by this Warrant shall be exercisable only if the total pretax profits, as defined herein, for the years 1999, 2000 and 2001 from the business and assets being purchased pursuant to the Asset Purchase Agreement between the parties hereto dated as of June 30, 1998 (the "Business") equal or exceed \$5,000,000. Pretax profits shall be defined as all net sales derived from the products and services of the Business less all direct and allocated expenses as determined by the Company to be applicable to the operation of the Business, including interest on money used in the operation of the Business computed at a rate of 9% per annum and an allocation of corporate overhead of the Company.

2. The rights represented by this Warrant shall be exercised, subject to adjustment in accordance with Section 7 of this Warrant, between April 1, 2002 and June 30, 2002 inclusive (the "Exercise Period"), at a purchase price of \$2.50 per share (the "Exercise Price"). For purposes of the adjustments under Paragraph 7 hereof, the per share Exercise Price shall be deemed to be \$2.50 subject to further adjustment as provided in such Paragraph 7. After the

expiration date of the Warrant, the Holder shall have no right to purchase any shares of Common Stock underlying this Warrant.

3. The rights represented by this Warrant may be exercised at any time within the Exercise Period above specified, in whole or in part, by (i) the surrender of this Warrant (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or

such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company); and (ii) payment to the Company of the Exercise Price then in effect for the number of shares of Common Stock specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any in the form of a certified check, cashier's check or money order. This Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date this Warrant is surrendered and payment is made in accordance with the foregoing provisions of this Section 3, and the person or persons in whose name or names the certificates for shares of Common stock shall be issuable upon such exercise shall become the holder or holders of the record of such shares of Common Stock at that time and date. The certificate or certificates for the shares of Common Stock so purchased shall be delivered to such person or persons within a reasonable time, not exceeding thirty (30) days, after this Warrant shall have been exercised.

4. Neither this Warrant nor the shares of Common Stock issuable upon exercise hereof have been registered under the Act nor under any state securities law and shall not be transferred, sold, assigned or hypothecated in violation thereof. If permitted by the foregoing, any such transfer, sale, assignment or hypothecation shall be effected by the Holder surrendering this Warrant for cancellation at the office of the Company referred to in Section 3 hereof, accompanied by an opinion of counsel reasonably satisfactory to the Company and its counsel, stating that such transferee is a permitted transferee under this Section 4 and that such transfer does not violate the Act or such state securities laws.

5. The Company covenants and agrees that all shares of Common Stock which may be issued upon exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and no personal liability will attach to the holder thereof. The Company further covenants and agrees that during the periods within which this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of this Warrant.

6. The Warrant shall not entitle the Holder to any rights, including,

without limitation, voting rights, as a stock holder of the Company.

7. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as follows:

a) If the company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the effective date or record date, as the case may be, for such sale, dividend or distribution or of the effective date of such subdivision, combination or reclassification shall

be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action;

b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to subsection 7 a) above, the number of shares of Common Stock purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares of Common Stock initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

c) Notwithstanding any adjustment in the Exercise Price or the number or kind of shares of Common Stock purchasable upon the Exercise of this Warrant, certificates for Warrants issued prior or subsequent to such adjustment may continue to express the same price and number and kind of shares of Common Stock as are initially issuable pursuant to this Warrant.

8. This Agreement shall be governed by and in accordance with the laws of the State of Jersey.

IN WITNESS WHEREOF, GENISYS RESERVATION SYSTEMS, INC. has caused this Warrant to be signed by its duly authorized officers and is to be dated June 30, 1998.

GENISYS RESERVATION SYSTEMS, INC.

By:

Lawrence Burk

President

FORM OF ELECTION TO PURCHASE

The Undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase:

shares of Common Stock

and herewith tenders in payment for such securities a certified or

cashier's check or money order payable to the order of Genisys Reservation Systems, Inc. in the amount of \$, all in accordance with the terms hereof. The undersigned requests that a certificate for such securities be registered in the name of , whose address is and that such Certificate be delivered to

Dated:

Signature

(Signature must conform in all respects to the name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

Warrant to Purchase up to 800,000
shares of Common Stock

GENISYS RESERVATION SYSTEMS, INC.
Class Y Common Stock Purchase Warrant

June 30, 1998

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), NOR UNDER ANY STATE SECURITIES LAW AND SHALL NOT BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED IN VIOLATION THEREOF UNTIL EITHER (i) A REGISTRATION STATEMENT WITH RESPECT THERETO IS DECLARED EFFECTIVE UNDER THE ACT AND APPLICABLE STATE SECURITIES LAW OR (ii) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE HOLDER OF SUCH SECURITIES WHICH OPINION IS REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SECURITIES MAY BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

THIS CERTIFIES THAT United Leisure Interactive, Inc. (herein after sometimes called the "Holder") is entitled to purchase from Genisys Reservation Systems, Inc., a New Jersey corporation (the "Company"), at the price and during the periods as hereinafter specified, up to 800,000 shares of the Company's Common Stock (the "Common Stock").

1. The rights represented by this Warrant shall be exercisable only if the total pretax profits, as defined herein, for the years 1999, 2000 and 2001 from the business and assets being purchased pursuant to the Asset Purchase Agreement between the parties hereto dated as of June 30, 1998 (the "Business") equal or exceed \$10,000,000. Pretax profits shall be defined as all net sales derived from the products and services of the Business less all direct and allocated expenses as determined by the Company to be applicable to the operation of the Business, including interest on money used in the operation of the Business computed at a rate of 9% per annum and an allocation of corporate overhead of the Company.

2. The rights represented by this Warrant shall be exercised, subject to adjustment in accordance with Section 7 of this Warrant, between April 1, 2002 and June 30, 2002 inclusive (the "Exercise Period"), at a purchase price of \$6.00 per share (the "Exercise Price"). For purposes of the adjustments under Paragraph 7 hereof, the per share Exercise Price shall be deemed to be \$6.00 subject to further adjustment as provided in such Paragraph 7. After the expiration date of the Warrant, the Holder shall have no right to purchase any shares of Common Stock underlying this Warrant.

3. The rights represented by this Warrant may be exercised at any

time within the Exercise Period above specified, in whole or in part, by (i) the surrender of this Warrant (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company); and (ii) payment to the Company of the Exercise Price then in effect for the number of shares of Common Stock specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any in the form of a certified check, cashier's check or money order. This Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date this Warrant is surrendered and payment is made in accordance with the foregoing provisions of this Section 3, and the person or persons in whose name or names the certificates for shares of Common stock shall be issuable upon such exercise shall become the holder or holders of the record of such shares of Common Stock at that time and date. The certificate or certificates for the shares of Common Stock so purchased shall be delivered to such person or persons within a reasonable time, not exceeding thirty (30) days, after this Warrant shall have been exercised.

4. Neither this Warrant nor the shares of Common Stock issuable upon exercise hereof have been registered under the Act nor under any state securities law and shall not be transferred, sold, assigned or hypothecated in violation thereof. If permitted by the foregoing, any such transfer, sale, assignment or hypothecation shall be effected by the Holder surrendering this Warrant for cancellation at the office of the Company referred to in Section 3 hereof, accompanied by an opinion of counsel reasonably satisfactory to the Company and its counsel, stating that such transferee is a permitted transferee under this Section 4 and that such transfer does not violate the Act or such state securities laws.

5. The Company covenants and agrees that all shares of Common Stock which may be issued upon exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and no personal liability will attach to the holder thereof. The Company further covenants and agrees that during the periods within which this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of this Warrant.

6. The Warrant shall not entitle the Holder to any rights, including, without limitation, voting rights, as a stock holder of the Company.

7. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as follows:

a) If the company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the

Exercise Price in effect at the time of the effective date or record date, as the case may be, for such sale, dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action;

b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to subsection 7 a) above, the number of shares of Common Stock purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares of Common Stock initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

c) Notwithstanding any adjustment in the Exercise Price or the number or kind of shares of Common Stock purchasable upon the Exercise of this Warrant, certificates for Warrants issued prior or subsequent to such adjustment may continue to express the same price and number and kind of shares of Common Stock as are initially issuable pursuant to this Warrant.

8. This Agreement shall be governed by and in accordance with the laws of the State of Jersey.

IN WITNESS WHEREOF, GENISYS RESERVATION SYSTEMS, INC. has caused this Warrant to be signed by its duly authorized officers and is to be dated June 30, 1998.

GENISYS RESERVATION SYSTEMS, INC.

By:

Lawrence Burk
President

FORM OF ELECTION TO PURCHASE

The Undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase:

shares of Common Stock

and herewith tenders in payment for such securities a certified or

cashier's check or money order payable to the order of Genisys Reservation Systems, Inc. in the amount of \$, all in accordance with the terms hereof. The undersigned requests that a certificate for such securities be registered in the name of , whose address is and that such Certificate be delivered to .

Dated:

Signature

(Signature must conform in all respects to the name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

EXHIBIT D

Warrant to Purchase up to 200,000
shares of Common Stock

GENISYS RESERVATION SYSTEMS, INC.
Class W Common Stock Purchase Warrant

June 30, 1998

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), NOR UNDER ANY STATE SECURITIES LAW AND SHALL NOT BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED IN VIOLATION THEREOF UNTIL EITHER (i) A REGISTRATION STATEMENT WITH RESPECT THERETO IS DECLARED EFFECTIVE UNDER THE ACT AND APPLICABLE STATE SECURITIES LAW OR (ii) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE HOLDER OF SUCH SECURITIES WHICH OPINION IS REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SECURITIES MAY BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

THIS CERTIFIES THAT Brian Shuster (herein after sometimes called the "Holder") is entitled to purchase from Genisys Reservation Systems, Inc., a New Jersey corporation (the "Company"), at the price and during the periods as hereinafter specified, up to 200,000 shares of the Company's Common Stock (the "Common Stock").

1. The rights represented by this Warrant shall be exercisable only if the total pretax profits, as defined herein, for the years 1999, 2000 and 2001 from the business and assets being purchased pursuant to the Asset Purchase Agreement between the parties hereto dated as of June 30, 1998 (the "Business") equal or exceed \$10,000,000. Pretax profits shall be defined as all net sales derived from the products and services of the Business less all direct and allocated expenses as determined by the Company to be applicable to the operation of the Business, including interest on money used in the operation of the Business computed at a rate of 9% per annum and an allocation of corporate overhead of the Company.

2. The rights represented by this Warrant shall be exercised, subject to adjustment in accordance with Section 7 of this Warrant, between April 1, 2002 and June 30, 2002 inclusive (the "Exercise Period"), at a purchase price of \$6.00 per share (the "Exercise Price"). For purposes of the adjustments under Paragraph 7 hereof, the per share Exercise Price shall be deemed to be \$6.00 subject to further adjustment as provided in such Paragraph 7. After the

expiration date of the Warrant, the Holder shall have no right to purchase any shares of Common Stock underlying this Warrant.

3. The rights represented by this Warrant may be exercised at any time within the Exercise Period above specified, in whole or in part, by (i) the surrender of this Warrant (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holder at the address of the Holder appearing on the books of the Company); and (ii) payment to the Company of the Exercise Price then in effect for the number of shares of Common Stock specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any in the form of a certified check, cashier's check or money order. This Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date this Warrant is surrendered and payment is made in accordance with the foregoing provisions of this Section 3, and the person or persons in whose name or names the certificates for shares of Common stock shall be issuable upon such exercise shall become the holder or holders of the record of such shares of Common Stock at that time and date. The certificate or certificates for the shares of Common Stock so purchased shall be delivered to such person or persons within a reasonable time, not exceeding thirty (30) days, after this Warrant shall have been exercised.

4. Neither this Warrant nor the shares of Common Stock issuable upon exercise hereof have been registered under the Act nor under any state securities law and shall not be transferred, sold, assigned or hypothecated in violation thereof. If permitted by the foregoing, any such transfer, sale, assignment or hypothecation shall be effected by the Holder surrendering this Warrant for cancellation at the office of the Company referred to in Section 3 hereof, accompanied by an opinion of counsel reasonably satisfactory to the Company and its counsel, stating that such transferee is a permitted transferee under this Section 4 and that such transfer does not violate the Act or such state securities laws.

5. The Company covenants and agrees that all shares of Common Stock which may be issued upon exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and no personal liability will attach to the holder thereof. The Company further covenants and agrees that during the periods within which this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of this Warrant.

6. The Warrant shall not entitle the Holder to any rights, including, without limitation, voting rights, as a stock holder of the Company.

7. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as follows:

a) If the company shall (i) declare a dividend or make a

distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the effective date or record date, as the case may be, for such sale, dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action;

b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to subsection 7 a) above, the number of shares of Common Stock purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares of Common Stock initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

c) Notwithstanding any adjustment in the Exercise Price or the number or kind of shares of Common Stock purchasable upon the Exercise of this Warrant, certificates for Warrants issued prior or subsequent to such adjustment may continue to express the same price and number and kind of shares of Common Stock as are initially issuable pursuant to this Warrant.

8. This Agreement shall be governed by and in accordance with the laws of the State of Jersey.

IN WITNESS WHEREOF, GENISYS RESERVATION SYSTEMS, INC. has caused this Warrant to be signed by its duly authorized officers and is to be dated June 30, 1998.

GENISYS RESERVATION SYSTEMS, INC.

By:

Lawrence Burk
President

FORM OF ELECTION TO PURCHASE

The Undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase:

shares of Common Stock

and herewith tenders in payment for such securities a certified or cashier's check or money order payable to the order of Genisys Reservation Systems, Inc. in the amount of \$, all in accordance with the terms hereof. The undersigned requests that a certificate for such securities be registered in the name of , whose address is and that such Certificate be delivered to .

Dated:

Signature

(Signature must conform in all respects to the name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other
Identifying Number of Holder)

Warrant to Purchase up to 200,000
shares of Common Stock

GENISYS RESERVATION SYSTEMS, INC.
Class V Common Stock Purchase Warrant

June 30, 1998

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), NOR UNDER ANY STATE SECURITIES LAW AND SHALL NOT BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED IN VIOLATION THEREOF UNTIL EITHER (i) A REGISTRATION STATEMENT WITH RESPECT THERETO IS DECLARED EFFECTIVE UNDER THE ACT AND APPLICABLE STATE SECURITIES LAW OR (ii) THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE COMPANY OR OTHER COUNSEL TO THE HOLDER OF SUCH SECURITIES WHICH OPINION IS REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SECURITIES MAY BE TRANSFERRED, SOLD, ASSIGNED OR HYPOTHECATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS.

THIS CERTIFIES THAT Brian Shuster (herein after sometimes called the "Holder") is entitled to purchase from Genisys Reservation Systems, Inc., a New Jersey corporation (the "Company"), at the price and during the periods as hereinafter specified, up to 200,000 shares of the Company's Common Stock (the "Common Stock").

1. The rights represented by this Warrant shall be exercisable only if the total pretax profits, as defined herein, for the years 1999, 2000 and 2001 from the business and assets being purchased pursuant to the Asset Purchase Agreement between the parties hereto dated as of June 30, 1998 (the "Business") equal or exceed \$5,000,000. Pretax profits shall be defined as all net sales derived from the products and services of the Business less all direct and allocated expenses as determined by the Company to be applicable to the operation of the Business, including interest on money used in the operation of the Business computed at a rate of 9% per annum and an allocation of corporate overhead of the Company.

2. The rights represented by this Warrant shall be exercised, subject to adjustment in accordance with Section 7 of this Warrant, between April 1, 2002 and June 30, 2002 inclusive (the "Exercise Period"), at a purchase price of \$2.50 per share (the "Exercise Price"). For purposes of the adjustments under Paragraph 7 hereof, the per share Exercise Price shall be deemed to be \$2.50 subject to further adjustment as provided in such Paragraph 7. After the expiration date of the Warrant, the Holder shall have no right to purchase any shares of Common Stock underlying this Warrant.

3. The rights represented by this Warrant may be exercised at any time within the Exercise Period above specified, in whole or in part, by (i) the surrender of this Warrant (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or such other office or agency of the Company as it may designate by notice in

writing to the Holder at the address of the Holder appearing on the books of the Company); and (ii) payment to the Company of the Exercise Price then in effect for the number of shares of Common Stock specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any in the form of a certified check, cashier's check or money order. This Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date this Warrant is surrendered and payment is made in accordance with the foregoing provisions of this Section 3, and the person or persons in whose name or names the certificates for shares of Common stock shall be issuable upon such exercise shall become the holder or holders of the record of such shares of Common Stock at that time and date. The certificate or certificates for the shares of Common Stock so purchased shall be delivered to such person or persons within a reasonable time, not exceeding thirty (30) days, after this Warrant shall have been exercised.

4. Neither this Warrant nor the shares of Common Stock issuable upon exercise hereof have been registered under the Act nor under any state securities law and shall not be transferred, sold, assigned or hypothecated in violation thereof. If permitted by the foregoing, any such transfer, sale, assignment or hypothecation shall be effected by the Holder surrendering this Warrant for cancellation at the office of the Company referred to in Section 3 hereof, accompanied by an opinion of counsel reasonably satisfactory to the Company and its counsel, stating that such transferee is a permitted transferee under this Section 4 and that such transfer does not violate the Act or such state securities laws.

5. The Company covenants and agrees that all shares of Common Stock which may be issued upon exercise of this Warrant will, upon issuance, be duly and validly issued, fully paid and nonassessable and no personal liability will attach to the holder thereof. The Company further covenants and agrees that during the periods within which this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of this Warrant.

6. The Warrant shall not entitle the Holder to any rights, including, without limitation, voting rights, as a stock holder of the Company.

7. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as follows:

a) If the company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect at the time of the effective date or record date, as the case may be, for

such sale, dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the

Exercise Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action;

b) Whenever the Exercise Price payable upon exercise of each Warrant is adjusted pursuant to subsection 7 a) above, the number of shares of Common Stock purchasable upon exercise of this Warrant shall simultaneously be adjusted by multiplying the number of shares of Common Stock initially issuable upon exercise of this Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

c) Notwithstanding any adjustment in the Exercise Price or the number or kind of shares of Common Stock purchasable upon the Exercise of this Warrant, certificates for Warrants issued prior or subsequent to such adjustment may continue to express the same price and number and kind of shares of Common Stock as are initially issuable pursuant to this Warrant.

8. This Agreement shall be governed by and in accordance with the laws of the State of Jersey.

IN WITNESS WHEREOF, GENISYS RESERVATION SYSTEMS, INC. has caused this Warrant to be signed by its duly authorized officers and is to be dated June 30, 1998.

GENISYS RESERVATION SYSTEMS, INC.

By:

Lawrence Burk
President

FORM OF ELECTION TO PURCHASE

The Undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase:

and herewith tenders in payment for such securities a certified or cashier's check or money order payable to the order of Genisys Reservation Systems, Inc. in the amount of \$ _____, all in accordance with the terms hereof. The undersigned requests that a certificate for such securities be registered in the name of _____, whose address is _____ and that such Certificate be delivered to _____.

Dated:

Signature

(Signature must conform in all respects to the name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

EXHIBIT E

Gentlemen:

1. The Seller hereby acknowledges, represents, warrants covenants and agrees as follows:

(a) it has been furnished with full access to the books, records and reports of Genisys Reservation Systems, Inc. ("Company") and any documents which may have been made available upon request (collectively referred to as ("additional materials"));

(b) it has been given the opportunity to ask questions of and receive answers from the Company's officers, directors, counsel and independent accountants concerning matters pertaining to an investment in the Company and has been given the opportunity to obtain such information necessary to verify the accuracy of information that was otherwise provided in order for it to evaluate the merits and risk of a purchase of Shares to the extent the Company possesses such information or can acquire it without unreasonable effort or expense and has not been furnished any offering literature except as mentioned herein;

(c) it has not been furnished with any oral representation or oral information in connection with the Shares;

(d) it is not relying on the Company, its officers, directors, employees, agents, investment bankers or attorneys, with respect to individual tax and other legal or economic considerations involved in this investment. The Seller has relied on its own knowledge and experience and that of its legal and economic advisors in regard to the tax and other considerations involved in this investment. The Investor is capable of evaluating for itself the merits and risks of this investment;

(e) Seller will not sell or otherwise transfer the Shares without registration under the Securities Act of 1933 as amended (the "Securities Act") and appropriate state securities ("Blue Sky") laws or the availability of applicable exemptions therefrom and fully understands and agrees that it must bear the economic risks of its acquisition for an indefinite period of time because, among other reasons, the Shares have not been registered under the Securities Act or under the Blue Sky laws of any state and, therefore, cannot be resold, pledged, assigned, hypothecated or otherwise disposed of unless they are subsequently registered under the Securities Act and under the applicable Blue Sky laws or pursuant to available exemptions from such registration. It also understands that neither the Company nor any other person is under any obligation to register the Shares on its behalf or to assist it in

complying with any exemption from registration under the Securities Act or Blue Sky laws;

(f) the Shares will be acquired solely for the account of the undersigned, for investment purposes only and are not being purchased for any distribution, subdivision or fractionalization thereof; the undersigned has no contract, undertaking, agreement or arrangement with any person to sell, transfer or pledge any Shares to such person or anyone else and the undersigned has no present plan to enter into any such contract, undertaking, agreement or arrangement;

(g) it has furnished the Company, its investment bankers or attorneys with information about itself and such information is correct and complete as of the date of this Agreement. If there should be any material change in such information it will mediatey furnish such revised or corrected information to the Company, its investment bankers or attorneys; and

(h) it has made the foregoing representations, warranties, covenants and agreements knowing that they shall survive its acquisition of Shares.

2. Investor Awareness. The undersigned acknowledges its complete understanding of the following facts:

(a) the Company has limited operating history and that the Shares as an investment involve special risks;

(b) no federal or state agency has passed upon the investment quality of the Shares or made any finding or determination as to the fairness, merits or risks of any investment in them;

(c) there are substantial risks of loss of the investment incident to the purchase of Shares; and

(d) the Shares have not been registered under the Securities Act or any Blue Sky laws and must be held indefinitely unless they are subsequently so registered or exemptions from such registration are available. The undersigned has no right to require that the Shares be registered under the Securities Act or any Blue Sky laws and the Shares cannot be sold without registration or other compliance with the Securities Act and applicable Blue Sky laws. In summary, the undersigned understands that the Shares have not been registered under the securities laws of any jurisdiction, that no one has any obligation to register them and that all Shares acquired by it may not be transferred unless they are registered, or an exemption from such registration is otherwise available.

3. The undersigned agrees to execute an agreement restricting the sale of the securities issued by the Company acquired in this transaction. Such restriction shall be for a period of 24 months from the effective date of the acquisition of such shares.

4. Modification. Neither this Agreement nor any provision hereof shall be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, modification, discharge or termination is sought;

5. Notices. Any notice, demand or other communication which any party hereto may be required, or may elect, to give anyone interested hereunder shall be sufficiently given if (a) deposited, postage prepaid, in a United States mail letter box, registered or certified mail, return receipt requested, addressed to such address as may be given herein or in the Memorandum or additional materials, or (b) delivered personally at such address, or (c) delivered by fax transmission to a fax number provided by such person (who confirms receipt thereof);

6. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties;

7. Binding Effect. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, legal representatives and assigns.

UNITED LEISURE INTERACTIVE. INC.

Harry Shuster
Chairman and Chief Executive Officer

EXHIBIT F

1990 Westwood Blvd., Inc.
1990 Westwood Boulevard
Los Angeles, California 90024

June 30, 1998

United Leisure Interactive, Inc.
1990 Westwood Boulevard
Los Angeles, California 90025

Genisys Reservation Systems, Inc.
2401 Morris Avenue
Union, New Jersey 07083

Gentlemen:

The undersigned hereby consents to the assignment by United Leisure Interactive, Inc. ("ULI") of that certain Commercial Lease dated March 1, 1996 between 1990 Westwood Blvd., Inc. and ULI, to Netcruise Interactive Inc., with respect to premises at 1990 Westwood Boulevard, Penthouse, Los Angeles, California, including the file use of all existing furniture in such offices.

Very truly yours,

1990 WESTWOOD BLVD., INC.

By _____
Harry Shuster
President