

6.10.99

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06-25-1999



Tab settings

original documents or copy thereof.

To the Honorable Commissioner of Patents and

101075827

1. Name of conveying party(ies):

Computer Image Systems, Inc.

- Individual(s)
- General Partnership
- Corporation-State California
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Asset Purchase Agreement
- Merger
- Change of Name

Execution Date: July 9, 1997

2. Name and address of receiving party(ies):

Name: Metromedia Technologies, Inc.

Internal Address: c/o Metromedia Company

Street Address: 1 Meadowlands Plaza

City: East Rutherford State: NJ ZIP: 07073

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration #

Reg. No. 1,511,335

06-10-1999

U.S. Patent & TMOc/TM Mail Rcpt Dt. #57

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: J. Michael Cleary

Internal Address: Cleary & Komen, LLP

Street Address: 600 Pennsylvania Avenue, S.E.
Suite 200

City: Washington, D.C. State: ZIP: 20003

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41): \$ 40.00

- Enclosed
- Authorized to be charged to deposit account

If check not attached, please charge to
8. Deposit account number: deposit account
02-4500

(Attach duplicate copy of this page if paying by deposit account)

06/24/1999 BNGUYEN 00000327 1511335

DO NOT USE THIS SPACE

01 FC:481

40.00 DP

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

James B. Singleton

Name of Person Signing

James B. Singleton
Signature

6/7/99
Date

Total number of pages comprising cover sheet:

23

TRADEMARK

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 9th day of July, 1997, by and between Metromedia Technologies, Inc. ("Purchaser"), and Computer Image Systems, Inc. ("Seller").

WITNESSETH

WHEREAS, Seller is engaged in the business of producing advertising for billboards by use of computerized "Megaprinter" machines;

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Purchased Assets (as defined below) of the Seller, together with all rights incident thereto, except those retained by the Seller;

WHEREAS, Seller is prepared to assume and assign the Assigned Contracts to Purchaser (as defined below);

WHEREAS, Seller is prepared to reject the Rejected Contracts (as defined below);

WHEREAS, Seller is a debtor in-possession pursuant to Chapter 11 of Title 11 of the United States Bankruptcy Code before the United States Bankruptcy Court of the Central District of California (the "Bankruptcy Court"), Case No. LA 95 35444-KM (the "Proceeding"), and this Agreement is subject to approval by the Bankruptcy Court.

NOW THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

ARTICLE I

Purchase and Sale of Purchased Assets

1.1 Agreement to Purchase and Sell. Seller shall sell the Purchased Assets to Purchaser, and Purchaser shall purchase the Purchased Assets from Seller, on the terms and subject to the conditions hereinafter provided.

1.2 Closing. The consummation of the purchase and sale of the Purchased

Assets hereunder (the "Closing") shall take place at the offices of Graham & James, L.L.P., 801 South Figueroa Street, 14th Floor, Los Angeles, California 90401 no later than the first business day following the date at which the Sale Order becomes the Final Sale Order (as defined in Section 7.2) (the "Closing Date").

1.3 Purchased Assets. The "Purchased Assets" shall consist of the assets set forth on Schedule I hereto, as well as the following assets of Seller, to the extent not specifically set forth on Schedule I hereto:

- (a) All tangible personal property, plant and equipment;
- (b) All Inventories;
- (c) All customer and supply contracts;
- (d) All intellectual property, including patents, trade names and trademarks;
- (e) All books and records relating to the Purchased Assets;
- (f) All Intangible assets;
- (g) All customer lists;
- (h) All goodwill relating to the Purchased Assets;
- (i) The agreements set forth on Schedule II hereto, which will be expressly assumed by Seller and assigned to Purchaser (the "Assigned Contracts");
- (j) All securities owned by Purchaser, including 360,000 shares of Mega Print (Hong Kong) Limited;
- (k) All prepaid expenses, deposits and other prepaid items of CIS; and
- (l) All trade accounts receivable, as set forth in Section 2.4; and
- (m) The Scanamural drum and console presently located at Seller's premises.

1.4 Excluded Assets. The "Excluded Assets" shall consist of all of the assets of Seller which are not Purchased Assets, including but not limited to (i) the contracts of Seller which are being rejected, which contracts are set forth on Schedule III (the "Rejected Contracts") and (ii) all other contracts of Seller which are not Assigned Contracts, which contracts will be rejected by Seller after the Closing Date (the "Post-Closing Rejected Contracts").

ARTICLE II

Purchase Price

2.1 Earnest Money. Prior to the execution of this Agreement, Purchaser has deposited with Steinberg, Nutter & Brent ("Seller's Counsel") an amount equal to Fifty Thousand (\$50,000) Dollars as an earnest money deposit to be held in escrow ("Earnest Money"). If Purchaser shall be the purchaser of the Purchased Assets, the Earnest Money shall be paid to Seller at Closing, with the Earnest Money (and interest earned thereon) to be credited to the Purchase Price (as defined in Section 2.2). In the event the Closing does not occur, Seller's Counsel shall immediately return the Earnest Money, and all interest earned thereon to Purchaser, provided, however, that in the event that Purchaser breaches this Agreement, the Earnest Money shall be used as a credit against any final, non-appealable money damage award received by Seller against Purchaser.

2.2 Closing Purchase Price. At Closing, Purchaser shall pay to Seller an amount equal to (a) Four Hundred and Fifty Thousand Dollars (\$450,000) plus (b) eighty percent (80%) of Seller's trade receivable balance as of the Closing Date minus (c) any Purchase Price Adjustments (the "Purchase Price"). In the event that Seller is unable to convey good and marketable title to any of the assets identified in Section 1.3 as Purchased Assets, free and clear of all liens, encumbrances, security interests, options, claims, changes and restrictions, the Purchase Price shall be reduced by the value of any such asset, as determined by mutual written agreement of Purchaser and Seller (a "Purchase Price Adjustment"). Any such asset shall, on the Closing Date, be deemed to be an Excluded Asset, rather than a Purchased Asset, and shall not be sold to Purchaser. The Purchase Price shall be made in the form of cash by certified or bank cashier's check or wire transfer of immediately available funds to an account designated by Seller, as elected by Seller.

2.3 Allocation of Purchase Price. The Purchase Price shall be allocated as set forth on Schedule IV or as Purchaser shall so designate by the Closing Date.

2.4 Accounts Receivable Balance. Prior to the Closing Date, Seller shall provide Purchaser with its trade accounts receivable balance as of such date.

2.5 Pro-ration of Expenses. To the extent necessary, Seller and Purchaser will pro-rate liabilities which have been incurred, and revenues which have been received, by Seller under any Assumed Contract which are allocable to Purchaser for any period after the Closing Date (e.g. rent paid under the Lease between TVI Corporation and Seller and revenues received by Seller under the Rental Maintenance Agreement between Megaprint Hong Kong, Ltd. and Seller), as well as any rent paid by Seller under the existing lease between Seller and Terrada Investment Corporation

which is allocable to Purchaser for any period after the Closing Date.

ARTICLE III

Representations and Warranties of Seller

Seller hereby represents and warrants to Purchaser, as of the date hereof and as of the Closing Date, as follows:

3.1 Organization, Standing and Corporate Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California, and has full power and authority to enter into and perform this Agreement and consummate the transaction as contemplated hereby. The execution, delivery and performance hereof and the consummation of the transactions contemplated hereby by Seller have been duly authorized by all necessary action and this Agreement is a valid and binding agreement of Seller, enforceable in accordance with its terms.

3.2 Title to the Purchased Assets. On the Closing Date, Seller shall have full right, power and authority to sell the Purchased Assets to Purchaser and to deliver the Purchased Assets to Purchaser in the manner provided for in this Agreement. On the Closing Date, Seller will be able to transfer good title to all of the Purchased Assets to Purchaser, free and clear of all liens, encumbrances, security interests, options, claims, charges and restrictions of any nature whatsoever.

3.3 Brokers and Finders. Seller has not engaged or authorized any broker, investment banker or other third party to act on its behalf, either directly, as a broker, finder or advisor in connection with Seller's sale of the Purchased Assets. Seller shall indemnify Purchaser from and against any and all claims for broker's commissions, except for those claiming a commission by or through a relationship with Purchaser.

3.4 "As Is, Where Is". Except as expressly set forth above in this Article III, the Purchased Assets shall be sold on an "AS IS, WHERE IS" basis, without any representations or warranties of any kind or nature, express or implied, except those of any third party which shall be assigned to Purchaser.

3.5 Copyrights and Trademarks. Schedule V contains a list of all material copyrights, trademarks, service marks, tradenames and other similar tangible personal property and interests applied for, issued to, registered in the name of, or owned by Seller.

ARTICLE IV

Representations and Warranties of Purchaser

Purchaser hereby represents and warrants to Seller, as of the date hereof and as of the Closing Date, as follows:

4.1 Organization, Standing and Corporate Authority. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to enter into and perform this Agreement and consummate the transaction as contemplated hereby. The execution, delivery and performance hereof and the consummation of the transactions contemplated hereby by Purchaser have been duly authorized by all necessary action and this Agreement is a valid and binding agreement of Purchaser, enforceable in accordance with its terms.

4.2 Brokers and Finders. Purchaser has not engaged or authorized any broker, investment banker or other third party to act on its behalf, either directly or as a broker, finder or advisor in connection with Seller's sale of the Purchased Assets, and Purchaser will be responsible for any broker, investment banker or other third party engaged by Purchaser to act on its behalf as a broker, finder or advisor in connection with Purchaser's purchase of the Purchased Assets. Purchaser shall indemnify Seller from and against any and all claims for brokers commissions, except for those claiming a commission by or through a relationship with Seller.

ARTICLE V

Covenants of Seller

Seller hereby covenants and agrees with Purchaser as follows:

5.1 Consent of Fuji Creative Corporation. Seller shall, on the Closing Date, deliver to Purchaser the written consent of Fuji Creative Corporation ("FCC") to the sale of the Purchased Assets to Purchaser, and the extinguishment and release of all of FCC's interests in, and claims against, the Purchased Assets, with the liens of FCC to attach to the proceeds of the sale.

5.2 Relocation of Assets. In the event that (a) the Sale Order is not received by July 15, 1997 and (b) Purchaser has not entered into a new lease agreement with Terrada Investment ("Terrada") for the lease of the premises located at 20030 South Normandie Avenue, Torrance, California 90502 (the "Premises") to Purchaser or Seller has not entered into an extension of its lease with Terrada (in each case, the "New Terrada Lease"), Seller shall move the Purchased Assets to a location mutually agreeable to Seller and Purchaser by no later than the date of termination of the Lease between Seller and Terrada ; provided, however, that this Section 5.2 shall be of no further effect at such time that the New Terrada Lease becomes effective.

5.3 Closing. Subject to Purchaser's compliance with its obligations under

this Agreement, Seller shall use reasonable commercial efforts to cause the conditions specified in Articles VII and VIII hereof to be satisfied at or as soon as practical after the date hereof.

5.4 Rejection of Rejected Contracts. Seller shall take such steps as may be required to obtain an order of the Bankruptcy Court, in form and substance satisfactory to Purchaser, rejecting the Rejected Contracts by the Closing Date and rejecting the Post-Closing Rejected Contracts after the Closing Date.

ARTICLE V

Covenants of Purchaser

Purchaser hereby covenants and agrees with Seller that subject to this Agreement and Seller's compliance with its obligations under this Agreement, Purchaser will use reasonable commercial efforts to cause the conditions specified in Articles VII and IX hereof to be satisfied at or as soon as practicable after the date hereof.

ARTICLE VII

Mutual Covenants of Seller and Purchaser

7.1 Approval of Bankruptcy Court. Seller and Purchaser agree to take such other steps as may be required, including but not limited to full compliance with the local rules of the Bankruptcy Court, to obtain an order of the Bankruptcy Court in form and in substance satisfactory to Purchaser (the "Sale Order") (i) ratifying the execution, delivery and performance of this Agreement by Seller as debtor in-possession, (ii) authorizing Seller to assume (and cure all defaults under) and assign the Assigned Contracts (Schedule II) to Purchaser and authorizing Seller to reject the Rejected Contracts (Schedule III) under Section 365 of the Bankruptcy Code, (iii) approving the sale of the Purchased Assets pursuant to this Agreement under Section 363(b) of the Bankruptcy Code, and determining that Purchaser is a good-faith purchaser pursuant to Section 363 (m) of the Bankruptcy Code, (iv) providing that Purchaser shall receive the Purchased Assets at the Closing free and clear of any claims, liens, security interests, encumbrances, liabilities and third party claims under Section 363 (f) of the Bankruptcy Code with any such unassumed claims, liens, liabilities or interests to attach to the cash sale proceeds, (v) providing that Seller has good and marketable title to all of the Purchased Assets including, but not limited to all technology used by Seller in connection with its business and (vi) determining that the Technology Purchase Agreement purportedly entered into between Seller and Nakanishi Shoji Co., Ltd. on

September 8, 1992 (the "Technology Purchase Agreement") is invalid and void. In the event that the Sale Order does not provide that the Technology Purchase Agreement is invalid and void, Seller and Purchaser agree to take such other steps as may be required to obtain an order authorizing Seller to reject the Technology Purchase Agreement, which order (the "Technology Purchase Agreement Order") shall be in form and substance satisfactory to Purchaser.

7.2 Receipt of Sale Order. Seller shall use its best efforts to obtain a final, unstayed Sale Order (the "Final Sale Order") on or before July 11, 1997. If the Sale Order remains stayed or an appeal remains pending forty-five (45) days after entry of the Sale Order, Purchaser or Seller may terminate this Agreement. Subject to the immediately preceding sentence, the parties may elect to affirm this Agreement and proceed with the purchase subject to the appeal, or terminate this Agreement with no further obligation to each other, provided however, that neither party shall be obligated to proceed with the purchase unless it so elects to do. In the event that the Sale Order is not affirmed by such date, and this Agreement is so terminated, Purchaser shall receive the Earnest Money.

7.3 Bid Protection and Other Sale Conditions. As set forth in the Bankruptcy Court's order, the Bankruptcy Court has approved the following terms to govern the Bankruptcy Court sale hearing:

- (a) any bidder who submits a bid and who otherwise meets the requirements of this Section 7.3 shall be required to deposit with Seller's counsel, at least five (5) days prior to the Bankruptcy Court sale hearing, a cash earnest money deposit equal to fifty thousand dollars (\$50,000), to be held in escrow (\$5,000 of which is non-refundable);
- (b) in order to be accepted by the Seller (i) any initial bid must exceed the Purchase Price hereunder by at least \$25,000 and (ii) bids must exceed the prior accepted bid by a minimum of \$25,000;
- (c) all offers shall be on the same terms and conditions as this Agreement and must be delivered to Seller's counsel in writing at least five (5) days prior to the Bankruptcy Court sale hearing;
- (d) competitive bidders must represent that they are ready, willing and able to close the transaction on or before the Closing Date hereunder;
- (e) competitive bids must be fully payable in cash at Closing and not contingent;
- (f) in the event that (i) a bid other than Purchaser's is approved by the Bankruptcy Court, or (ii) if Seller withdraws the Purchased Assets from sale to Purchaser, (ii) Seller is ordered to withdraw the Purchased Assets from sale to

Purchaser, or (iv) Purchaser terminates this Agreement pursuant to Section 10.1 (f), Purchaser shall be entitled to a break-up fee equal to Twenty-five Thousand (\$25,000) Dollars ("Break-up Fee") to cover Purchaser's costs incurred in submitting its offer and conducting due diligence, which shall be payable immediately upon the occurrence of any of the aforementioned events, by wire transfer of immediately available funds. In such event, Seller shall also immediately refund to Purchaser Purchaser's Earnest Money; and

(g) Purchaser shall have a right of first refusal to match any bid accepted by Seller which is in excess of Purchaser's initial bid;

The failure of the Bankruptcy Court to enforce any of these terms, shall, at Purchaser's option, relieve Purchaser of its obligations under this Agreement.

7.4 Employment Matters. Purchaser shall have the right to interview the employees of Seller at reasonable times upon advance notice to Seller, from and after the date of this Agreement. Purchaser shall, by the Closing Date, identify those of Seller's employees to whom Purchaser expects to offer employment. The parties acknowledge that any such hiring will represent new employment of such employees by Purchaser and not the assumption by Purchaser of any obligation of Seller with respect to such employees. Unless Purchaser shall otherwise permit, Seller shall cause all employees of Seller who are not being hired by Purchaser to vacate the Premises by the Closing Date.

ARTICLE VIII

Conditions to Obligation of Purchaser to Close

The obligation of Purchaser hereunder to proceed with the Closing is subject to the satisfaction on or before the Closing Date of each of the following conditions, unless otherwise waived in writing by Purchaser:

8.1 Representations and Warranties. The representations and warranties of Seller contained herein, and in any certificate or other writing delivered pursuant hereto or in connection herewith, shall be true and correct in all respects on and as of the Closing Date.

8.2 Performance. Seller shall have duly performed or complied with all of the covenants, acts and obligations to be performed or complied with by it hereunder at or prior to the Closing.

8.3 Purchased Assets. Seller shall have delivered to Purchaser the Sale Order or such documents and instruments of transfer or assurance of title in order to vest title to the Purchased Assets in Seller.

8.4 Consents. Any necessary consents and approvals of the Bankruptcy Court or any other party with respect to the Purchased Assets and the assignment of Assigned Contracts shall have been obtained.

8.5 No Material Changes. Except as set forth on Schedule VI or otherwise agreed to by Purchaser in writing, since the date of this Agreement, there shall have been no material adverse change in the Purchased Assets.

8.6 Further Assurances. Seller shall deliver, or execute and deliver to Purchaser such other documents and instruments as may be reasonably required to consummate the transaction contemplated hereby.

8.7 Sale Order. The Bankruptcy Court shall have entered the Sale Order as contemplated by Section 7.1 and the Sale Order shall have become the Final Sale Order as contemplated by Section 7.2. Subject to Section 7.1, the Bankruptcy Court shall have entered the Technology Purchase Agreement Order.

8.8 Purchaser Approval. The Purchaser shall have approved the form and substance of all final schedules to this Agreement.

8.9 Seller's Documents. All documents and instruments to be furnished by Seller pursuant hereto shall be in form and substance reasonably satisfactory to Purchaser and its counsel.

ARTICLE IX

Conditions to Obligation Of Seller to Close

The obligation of Seller to proceed with the Closing is subject to the satisfaction on or before the Closing Date of each of the following conditions, unless waived in writing by Seller:

9.1 Representations and Warranties. The representations and warranties of Purchaser contained herein and in any certificate or other writing delivered pursuant hereto or in connection herewith shall be true and correct in all material respects on and as of the Closing Date.

9.2 Performance. Purchaser shall have duly performed or complied with all of the covenants, acts and obligations to be performed or complied with by Purchaser hereunder at or prior to the Closing.

9.3 Closing Purchase Price. Purchaser shall have delivered or wired the balance of the Purchase Price to Seller in the manner provided for in Section

2.1 and 2.2 hereof.

9.4 Sale Order. The Bankruptcy Court shall have entered the Sale Order as contemplated by Section 7.1 and the Sale Order shall have become the Final Sale Order as contemplated by Section 7.2. Subject to Section 7.1, the Bankruptcy Court shall have entered the Technology Purchase Agreement Order.

9.5 Consents. Any necessary approvals by the Bankruptcy Court with respect to the assignment of the Assigned Contracts shall have been obtained.

ARTICLE X

Termination

10.1 Termination For Failure to Satisfy Conditions. This Agreement may be terminated and abandoned, at any time prior to the consummation of the Closing on the Closing Date under the following described circumstances:

(a) Upon the mutual written consent of Purchaser and Seller.

(b) By Purchaser, if the conditions set forth in Article VIII hereof shall not be fully satisfied or waived by Purchaser, or if the Closing shall not have occurred within 45 days after entry of the Sale Order through no fault of Purchaser .

(c) By Seller, if the conditions set forth in Article IX hereof shall not be fully satisfied or waived by Seller, or if the Closing shall not have occurred within 45 days after entry of the Sale Order through no fault of Seller.

(d) By Seller if a higher bid for the Purchased Assets is approved by the Bankruptcy Court in accordance with the procedures set forth in Section 7.3 hereof.

(e) By either party if the Closing Date shall not have occurred within 45 days after entry of the Sale Order (or such later time as the parties mutually agree) approving this Agreement and the sale of the Purchased Assets to Purchaser pursuant to its terms.

(f) By the non-breaching party, if the other party commits a material breach of this Agreement.

10.2 Earnest Money Return and Breakup Fee Payment. In the event this Agreement is terminated pursuant to Section 10.1 above (except for termination by Seller for Purchaser's failure to satisfy the conditions in Sections 9.1, 9.2 and 9.3 or termination by Seller pursuant to Section 10.1(f)) Seller shall immediately return the

Earnest Money to Purchaser and, in the event this Agreement is terminated by Purchaser pursuant to Section 10.1(f), also pay to Purchaser the Breakup Fee in accordance with Section 7.2(f).

ARTICLE XI

Miscellaneous

11.1 Entire Agreement. This Agreement sets forth the entire understanding and supersedes all prior and contemporaneous oral or written agreements among the parties hereto relating to the subject matter contained herein, and merges all prior and contemporaneous discussions among them. No party hereto shall be bound by any definition, condition, representation, warranty, covenant or provision other than as expressly stated in this Agreement or as hereafter set forth in a written instrument executed by such party or by a duly authorized representative of such party.

11.2 Severability. The parties hereto expressly agree that it is not the intention of any party hereto to violate any public policy, statutory or common laws rules, regulations, treaties or decisions of any government or agency thereof. If any provision of this Agreement is judicially or administratively interpreted or construed as being in violation of any such provision as applied to any fact or circumstance, such articles, sections, sentences, words, clauses or combinations thereof shall be modified to the minimum extent necessary to render it valid, and it shall not affect any other provision of this Agreement or the same provisions applied to any other fact or circumstance, and the remainder of this Agreement shall remain binding upon the parties hereto.

11.3 Notices. Any and all notices and other communications necessary or desirable to be served hereunder shall be either personally delivered or sent by telecopy, prepaid same-day or overnight delivery service, proof of delivery requested, or United States certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

(a) If to Seller:

Computer Image Systems, Inc.
20030 South Normandie Avenue
Torrance, California
Telecopier No.:

With a copy to:

Steinberg, Nutter & Brent
501 Colorado Avenue
Suite 300
Santa Monica, California 90401
Attention: Paul M. Brent, Esq.
Telecopier No.: 310-451-0929

and

Graham & James, LLP
801 South Figueroa Street
14th Floor
Los Angeles, CA 90017
Attention: Jeffrey A. Chester, Esq.
Telecopier No.: 213-623-4581

(b) If to Purchaser:

Metromedia Technologies, Inc.
1320 North Wilton Place
Los Angeles, CA 90028
Attention: President
Telecopier No.: 213-463-4278

With a copy to:

Metromedia Technologies, Inc.
c/o Metromedia Company
1 Meadowlands Plaza
East Rutherford, New Jersey 07073
Attention: General Counsel
Telecopier No.: 201-531-2803

or to such other address or addresses as either party hereto may designate for itself from time to time in a written notice served upon the other party hereto in accordance herewith. Any notice sent as hereinabove provided shall be deemed delivered upon receipt or refusal of delivery, except in the case of certified or registered United States mail which shall be deemed delivered on the third (3rd) business day next following the postmark date which it bears.

11.4 Counterparts. This Agreement may be executed in any number of counterparts by, telecopy, and each counterpart shall constitute an original instrument, but all such separate counterparts shall constitute one and the same agreement. [f

executed by telecopy, the parties shall promptly thereafter exchange originals, but failure to do so shall not affect the enforceability of this Agreement.

11.5 Law to Govern. The validity, construction and enforceability of this Agreement shall be governed in all respects by the laws of the State of California without regard to its conflict of laws rules.

11.6 Successors and Assigns. Neither this Agreement, nor any of the rights, duties or obligations hereunder, may be assigned by operation of law or otherwise by the parties hereto without the prior written consent of all other parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

11.7 Further Assurances. At any time on or after the Closing, the parties hereto shall each perform such acts, execute and deliver such instruments, assignments, endorsements and other documents and do all such other things consistent with the terms of this Agreement as may be reasonably necessary to accomplish the transaction contemplated in this Agreement or otherwise carry out the purpose of this Agreement.

11.8 Gender, Number and Headings. The masculine, feminine or neuter pronouns used herein shall be interpreted without regard to gender, and the use of the singular or plural shall be deemed to include the other whenever the context so requires. The headings in this Agreement are inserted for convenience or reference only and are not a part of this Agreement.

11.9 Schedules. The Schedules referred to herein and attached hereto are incorporated herein by such references as if fully set forth in the text hereof.

11.10 Waiver of Provisions. The terms, covenants, representations, warranties and conditions of this Agreement may be waived only by a written instrument executed by the party waiving compliance. The failure of any party at any time to require performance of any provisions hereof shall, in no manner, affect the right at a later date to enforce the same. No waiver by any party of any condition, or breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

11.11 Expenses. Except as otherwise expressly provided herein, each party shall bear its own expenses incident to this Agreement and the transactions contemplated hereby, including without limitation, all fees of counsel, accountants, consultants and brokers.

11.12 Recitals. The recitals set forth above on the initial page of this

Agreement are incorporated herein by this reference, and this Agreement shall be construed in light thereof.

11.13 Bulk Transfer Law. The parties hereby waive compliance with the bulk transfer provisions of the U.C.C. and/or any state or federal law concerning bulk transfers to the extent such provisions may affect the transactions contemplated by this Agreement.

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

COMPUTER IMAGE SYSTEMS, INC.

BY: [Signature]
Name: MARK M. YOSHIDA
Title: PRESIDENT

METROMEDIA TECHNOLOGIES, INC.

BY: [Signature]
Name: Philip S. Seckin gel
Title: CEO



"I"

Schedule I

List of Purchased Assets

MEGAPRINT #2

MEGAPRINTER #2
IBM PS/VP 486SX-25 (#2 MEGA)
SPRAYBOOTH
ELECTRICAL
MOVERS
N & W SPRAYBOOTH
SPRAYBOOTH INSTALLATION
MAKE-UP AIR INSTALLATION

MEGAPRINT #3

MEGAPRINTER #3
IBM PS/VP 486SX-25 (#3 MEGA)
SHOJI EQUIP (PARTS)

SEAMING MACHINE #1

SEAMING MACHINE #1 (US FAIB)

SEAMING MACHINE #2

SEAMING MACHINE #2 (US FAIB)

COMPUTER EQUIPMENT

IRIS GRAPHICS (COMP. ROOM)
IRIS GRAPHICS (COMP. ROOM)
LINOTYPE HELL (CAP LEASE)
IBM PS/VP 4860X2-66 (SETS)
APPLE POWER MAC 8100

MISC EQUIPMENT

TIGER PALLETJACK
COMPRESSOR & INSTALLATION
FLOOR CLEANING MACHINE
PUMP CART

NEW ELECTRICAL LIGHT
INK ROOM
WAX ADHESIVE MACHINE
COATING SYSTEM
SEAMING BAR
DENSITOMETER
COMPUTER

CHAIRS
CHAIR
CABINET
CHAIRS & BOOKCASES

PANASONIC TYPEWRITER
IBM SELCTRIC
VCR & MONITOR
DESKS & CHAIRS

2 DESKS

SECURITY CAMERAS

FAX TEL SYSTEMS

P/C - SEKIGUCHI
DESKS
FILE CABINET

COMPUTER - ACCOUNTING

TABLE/CHAIRS
RICHOH FAXES
NETWORK SYSTEMS - ACCGT

P/C - GLENNY'S
4 P/C'S - ACCTG & TRAFFIC
TELEPHONE SYSTEMS

ACCOUNTING SOFTWARE
FAX MACHINE - GARY SIMCOX
WORD PROC. - GARY SIMCOX
FAX MACHINE - LYSSA LICAUSI

PRINTER EPSON - ACCTING
FAX MACHINE - GARY SIMCOX
COMPUTER

"II"

Schedule II

TRADEMARK
REEL: 001918 FRAME: 0922

Schedule IIList of Contracts to be Assumed by Seller and Assigned to Purchaser

1. Lease between TVI Corporation and Seller dated June 17, 1993.
2. Rental Maintenance Agreement between and Megaprint Hong Kong, Ltd. (formerly Top Crown Technologies, Ltd.) and Seller dated May 22, 1994.



“ III ”

Schedule IV

Allocation of Purchase Price

Schedule V

Copyrights and Trademarks

To be finalized by the Closing Date.