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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): Made In Heaven Entertainment, Inc.</p> <p><input type="checkbox"/> Individual(s)                      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership              <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State  <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		<p>2. Name and address of receiving party(ies) Name: <u>Launch Media, Inc.</u> Internal Address: <u>Sr. V.P., Business &amp; Legal Affairs</u> Street Address: <u>2700 Pennsylvania Ave.</u> City: <u>Santa Monica</u> State: <u>CA</u> Zip: <u>90404</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input checked="" type="checkbox"/> Corporation-State <u>Delaware</u>  <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  (Designations must be a separate document from assignment)  Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment                              <input type="checkbox"/> Merger  <input type="checkbox"/> Security Agreement                      <input type="checkbox"/> Change of Name  <input checked="" type="checkbox"/> Other <u>Assignment and Transfer Agreement</u></p> <p>Execution Date: <u>09/21/1999</u></p>			
<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) _____  _____</p>		<p>B. Trademark Registration No.(s) <u>1,466,521</u></p>	
Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Robert L. Margolis</u> Internal Address: <u>Robinson Curley &amp; Clayton, P.C</u>  _____  _____  Street Address: <u>300 South Wacker Drive</u>  <u>Suite 1700</u>  City: <u>Chicago</u> State: <u>IL</u> Zip: <u>60606</u></p>		<p>6. Total number of applications and registrations involved: ..... <input type="text" value="1"/></p> <p>7. Total fee (37 CFR 3.41).....\$ <u>40.00</u>  <input checked="" type="checkbox"/> Enclosed  <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number:  _____</p>	

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9. Signature.

Robert L. Margolis  
Name of Person Signing

Signature

02/19/2003  
Date

Total number of pages including cover sheet, attachments, and document:

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement"), is dated as of September 21, 1999, between Launch Media, Inc., a Delaware corporation ("Launch"), and, collectively, Made In Heaven Entertainment, Inc. d/b/a SuperSpots and JBTV, an Illinois corporation ("MIH Entertainment"), Made In Heaven Management, Inc., an Illinois corporation ("MIH Management") and, together with MIH Entertainment, "MIH"), David Gariano ("Gariano"), Michael Harnett ("Harnett") and Gerald Bryant ("Bryant").

Launch desires to purchase, and MIH desires to sell, all of the assets, both tangible and intangible, owned, associated with or used in the operation of MIH (the "Business") including, without limitation, those assets set forth on Schedule 1.1 and all goodwill related thereto (the "Assets"), but excluding those assets set forth in Schedule 1.2 (the "Excluded Assets"), in exchange for the Purchase Price (as defined below), on the terms and conditions set forth herein. The parties agree that Launch is not assuming any obligation or liability of MIH in connection with the transactions contemplated by this Agreement other than liabilities set forth on Schedule 1.3 (the "Assumed Liabilities").

Accordingly, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

### 1. Purchase of the Assets.

#### 1.1 Purchase of the Assets.

(a) Purchase Price. MIH agrees to sell and convey to Launch and Launch or its designated wholly-owned subsidiary agrees to purchase from MIH the Assets on the date hereof (the "Closing Date"), for an aggregate amount (the "Purchase Price") consisting of (i) 64,285 shares of Launch common stock (the "Stock Purchase Price") and (ii) \$600,347.50 in cash (the "Cash Purchase Price"), which shall be subject to the provisions of Section 3.2.

#### (b) Escrow.

(i) Launch shall deposit the Stock Purchase Price (the "Stock Escrow Amount") and \$30,347.50 cash of the Cash Purchase Price (the "Cash Escrow Amount") with Mayer, Brown & Platt (the "Escrow Agent") to be held and disbursed in accordance with the terms of an escrow agreement between Launch, MIH, Bryant, Gariano, Harnett and Mayer, Brown & Platt, as escrow agent (the "Escrow Agreement"). The Stock Escrow Amount and the Cash Escrow Amount, together with any interest and dividends earned thereon, are referred to herein as the "Escrow Funds". The Escrow Funds shall serve to satisfy any claims for indemnification made by Launch in the first year after the Closing. Any portion of the Escrow Funds remaining in escrow on September 21, 2000 will be released as set forth in the Escrow

Agreement. Any claims for indemnification satisfied from the Escrow Funds shall constitute an adjustment to the Purchase Price.

(ii) The Stock Escrow Amount, for purposes of satisfying any claims for indemnification made by Launch, shall be valued at the closing price on the business day prior to the Closing as reported in The Wall Street Journal.

(c) Allocation of Consideration. The Stock Purchase Price shall be allocated as follows: 42,858 shares of Launch common stock to the non-compete provisions for Gariano, Harnett and Bryant, 14,287 shares of Launch common stock to MIH Management goodwill and 7,140 shares of Launch common stock to signing bonuses for Gariano, Harnett and Bryant. The Cash Purchase Price shall be allocated, in its entirety, to the assets of MIH Entertainment. Following the Closing, Launch and MIH in connection with their respective U.S. federal, state, local and foreign Tax Returns and other filings (including Internal Revenue Service Form 8594) shall not take any position inconsistent with such allocation. Any adjustment to the Purchase Price shall be allocated as mutually agreed between Launch and MIH and as provided by Temp. Treas. Reg. § 1.1060-1T(f).

1.2 Closing; Closing Payment. At the closing hereunder (the "Closing"), Launch shall pay to MIH \$419,146.15 by wire transfer in accordance with the instructions set forth in Schedule 1.2, representing the Cash Purchase Price minus an amount equal to (i) \$30,000 under the MIH Promissory Note, (ii) the Cash Escrow Amount and (iii) \$120,853.85 to be paid by Launch for the direct satisfaction of MIH's obligations to Scitex America Corp., Sony Electronics, Inc. and First Midwest Bank, NA.

### 1.3 INTENTIONALLY DELETED

1.4 Other Agreements. On the Closing Date, Gariano, Harnett, Bryant and Armando Zapata each shall enter into an employment agreement with Launch (the "Employment Agreements"). The Employment Agreements and the Escrow Agreement are defined herein as the "Other Agreements."

1.5 Title to Assets; Risk of Loss. Title to and risk of loss for all Assets shall pass from MIH to Launch or its designated wholly-owned subsidiary on the Closing Date.

1.6 Liabilities. Launch shall assume only the Assumed Liabilities set forth on Schedule 1.3. All of the liabilities of MIH that are not specifically assumed by Launch will remain with MIH (the "Excluded Liabilities").

1.7 Deliveries of MIH to Launch. At the Closing, MIH shall deliver to Launch:

(a) Agreements and Instruments; Other Agreements. The Bills of Sale and Assignment and all other instruments of transfer, dated as of the Closing Date, in form sufficient to transfer and convey to Launch title to the Assets and, in form and substance satisfactory to counsel to Launch, the Other Agreements.

1.8 Deliveries of Launch to MIH. At the Closing, Launch shall deliver to MIH:

(a) Payments. The Cash Purchase Price in the amount and manner set forth in Sections 1.1(a), 1.2, and 3.2.

(b) Agreements and Instruments. The Other Agreements.

1.9 Deliveries of Launch to Escrow Agent. At the Closing, Launch shall deposit the Escrow Funds in accordance with Section 1.1(b) with the Escrow Agent, to be held and disbursed in accordance with the terms of the Escrow Agreement.

## 2. Representations and Warranties.

2.1 Representations and Warranties by MIH, Gariano, Harnett and Bryant. MIH, Gariano, Harnett and Bryant jointly and severally, represent and warrant to, and agree with, Launch as follows:

(a) MIH's Organization and Authority. Each of MIH Entertainment and MIH Management is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois and has the requisite corporate power and authority to own their properties and assets, and to enter into this Agreement. This Agreement has been duly authorized by all necessary corporate action on the part of each of MIH Entertainment and MIH Management. This Agreement has been, and each of the Other Agreements will have been at the Closing, duly executed and delivered by MIH Entertainment and MIH Management, as applicable, and, when executed and delivered by the other parties hereto and thereto, will constitute a legal, valid and binding agreement of MIH Entertainment and MIH Management, as applicable, enforceable in accordance with their terms.

(b) Title to Assets. Except as set forth in Schedule 2.1(b), MIH has good and valid title to the Assets, including, but not limited to all audio and video equipment, recorded interviews, music videos and recorded concert footage, free and clear of any liens, charges, pledges, security interests or other encumbrances whatsoever, other than (i) statutory liens for taxes to the extent that the payment thereof is not in arrears or otherwise due, and (ii) statutory or common law liens in favor of carriers, warehousemen, mechanics and materialmen, statutory or common law liens to secure claims for labor, materials or supplies and other like liens, which secure obligations to the extent that payment thereof is not in arrears or otherwise due ("Permitted Encumbrances"). Except as set forth in Schedule 2.1(b), MIH has not received

notice of violation of any applicable law, regulation, order, arbitration award, judgment, decree or other requirement relating to the Assets which has not been complied with.

(c) Financial Statements. MIH has delivered to Launch the unaudited balance sheets and unaudited income statements of MIH as of and for each of the years ending December 31, 1996, 1997 and 1998, respectively and as of and for the six (6)-month period ending June 30, 1999 (collectively, the "Financial Statements"), copies of which financial statements are attached hereto as Exhibit 2.1(c). The Financial Statements (i) were prepared from the books and records of MIH, (ii) were prepared on a basis consistent with the past practices of MIH, (iii) are subject to normal year-end adjustments, (iv) present fairly the financial position, results of operations and other information included therein of MIH as of the dates reported therein and for the periods covered thereby, and (v) were prepared according to sound accounting practices. Except as disclosed in the Financial Statements or in Schedule 3.2, or incurred in the ordinary course of business in an aggregate amount not exceeding ten thousand dollars (\$10,000), MIH has no liabilities since June 30, 1999.

(d) INTENTIONALLY DELETED.

(e) Consents. No authorizations, consents, permits, orders or approvals are required for the sale and transfer of the Assets to Launch, to carry out the transactions contemplated hereunder and by the Other Agreements and for Launch to operate the Business, except as listed in Schedule 2.1(e).

(f) Assets. The tangible Assets, including all audio and video equipment, are in good working condition and repair (subject to normal wear and tear). MIH's use of the Assets does not violate any statutes, laws or regulations applicable to MIH except as such violation would not have a material adverse affect.

(g) Material Contracts. Schedule 2.1(g) correctly sets forth in all material respects the existence of all Material Contracts of MIH now in effect. "Material Contracts" are (a) any contract or purchase order with any person or entity known by MIH to be affiliated with or controlled by (or with power to control) any officer, director, key employee or stockholder; (b) written employment contracts with individual employees extending for a period of more than six months from the date hereof or providing for earlier termination only upon the payment of a penalty or the equivalent thereof; (c) contracts providing for payments based upon the overall sales, purchases or profits of MIH which involve future payments reasonably expected to be in excess of five thousand dollars (\$5,000); (d) contracts which involve future payments, performance of services or delivery of goods and/or materials, to or by MIH of an aggregate amount or value reasonably expected to be in excess of five thousand dollars (\$5,000); (e) any commitment or arrangement pursuant to which MIH has made or will make loans or advances, or has or will have incurred debts or become a guarantor or surety or pledged its credit on or otherwise become responsible with respect to any undertaking of another, including loans to officers, employees and independent contractors (except for the negotiation or collection of negotiable instruments in transactions in the ordinary course of business and employee advances in the ordinary course of business); (f) any indentures, credit agreements, loan agreements, notes,

mortgages, security agreements, or material leases of personal property and agreements for financing involving more than five thousand dollars (\$5,000); (g) any contract involving any restrictions on the geographical area of operations or scope or type of business of MIH; (h) all contracts relating to franchise arrangements; (i) any power of attorney or agency agreement with any party pursuant to which such party is granted the authority to act for or on behalf of MIH; and (j) all other material contracts not made in the ordinary course of business which are to be performed at or after the date of this Agreement. Except as disclosed in this Agreement, the Other Agreements or the Schedules and Exhibits hereto, each of the Material Contracts disclosed on Schedule 2.1(g) which has been set forth on Schedule 1 as an Assumed Liability: (a) has been duly authorized, executed and delivered by the parties thereto, (b) is binding on the parties thereto in accordance with and to the extent of its terms and applicable laws and (c) is not subject to, and MIH has not received any written notice threatening or declaring, termination as a result of any existing uncured breach or default by MIH or, in the case of any notice, alleged uncured breach or default by MIH, and to the knowledge of MIH, Gariano, Harnett and Bryant, no other party is in default thereunder in any material respect. Except as set forth in Section 2.1(g), there are no contracts or arrangements between MIH Entertainment, MIH Management, Gariano, Harnett or Bryant.

(h) Intellectual Property. (i) Schedule 2.1(h) is an accurate and complete list of all of the material Intellectual Property currently used in the operation of the Business. All material Intellectual Property is exclusively owned by MIH, free and clear of all encumbrances or has been duly licensed for use except as set forth in Schedule 2.1(h). Except as set forth on Schedule 2.1(h), none of the Intellectual Property has been or is the subject of any pending adverse Claim, or, to the knowledge of MIH, Gariano, Harnett or Bryant, any threatened Claim of infringement except for Claims which are not reasonably expected to have a material adverse effect. To the knowledge of MIH, Gariano, Harnett or Bryant, the use of the Intellectual Property in the operation of the Business does not infringe any Intellectual Property rights of another Person and MIH, Gariano, Harnett and Bryant have not received any notice contesting MIH's right to use, or asserting infringement with respect to, any Intellectual Property now used by it in connection with the Business or the operation thereof. Except as set forth on Schedule 2.1(h), MIH has not granted any license in respect of any Intellectual Property. Except as set forth in Schedule 2.1(h), MIH owns or possesses all material rights for the life of the legal protection available in and to all trademarks and copyrights necessary to conduct the Business as present conducted. To the knowledge of MIH, Gariano, Harnett or Bryant, MIH is not infringing on any trademark, trade name, copyright or license in the operations of the Business, and neither MIH, Gariano, Harnett nor Bryant knows of any third party who has asserted any infringement claim, except in each case of matters which are not reasonably expected to have a material adverse effect.

(ii) As used in this Agreement, Intellectual Property means (a) inventions, whether or not patentable, whether or not reduced to practice, and whether or not yet made the subject of a pending patent application or applications, (b) ideas and conceptions of potentially patentable subject matter, including, without limitation, any patent disclosures, whether or not reduced to practice and whether or not yet made the subject of a pending patent application or applications, (c) patents, patent registrations and patent applications (including all reissues,

divisions, continuations, continuations-in-part, extensions and reexaminations) and all rights therein provided by international treaties or conventions and all improvements to the inventions disclosed in each such registration, patent or application, (d) trademarks, service marks, trade dress, logos, trade names and corporate names, whether or not registered, including all common law rights, and registrations and applications for registration thereof, including, but not limited to, all marks registered in the United States Patent and Trademark Office and throughout the world and all rights therein provided by international treaties or conventions, (e) copyrights (registered or otherwise) and registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, computer software, including, without limitation, source code, operating systems and specifications, data bases, files, documentation and other materials related thereto, data and documentation, (f) trade secrets and confidential, technical and business information (including ideas, formulas, compositions, inventions, and conceptions of inventions whether patentable or unpatentable and whether or not reduced to practice), (g) whether or not confidential, technology (including know-how and show-how), manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, (h) copies and tangible embodiments of all the foregoing, in whatever form or medium, (i) all rights to obtain and rights to apply for patents, and to register trademarks and copyrights, and (j) all rights to sue or recover and retain damages and costs and attorneys' fees for present and past infringement of any of the foregoing.

(i) No Conflict. The execution and delivery by MIH of this Agreement and the Other Agreements, the fulfillment of and the compliance with the respective terms and provisions of each, and the consummation of the transactions described in each, do not and will not conflict with or violate any United States law, ordinance, regulation, order, award, judgment, injunction or decree applicable to the Assets, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of MIH's articles of incorporation or bylaws, or any contract, agreement, lease, commitment, or understanding to which any of the Assets is subject, or result in the creation of any lien or encumbrance upon the Assets.

(j) Permits; Compliance with Law. MIH holds the Permits described on Schedule 2.1(j), and no other material Permits are currently necessary for the lawful operation of the Business. MIH has complied with, and is not in default under or in violation of, any Permit, regulation or order to which the Business or Assets are subject, or under which any of them have rights including professional practice and licensing boards, consumer protection and other regulations, except where non-compliance, default or violation would not reasonably be expected to have a material adverse effect. As used herein, "Permits" means any licenses, permits, variances, interim permits, permit applications, approvals or other authorizations under any regulation applicable to the Business, including, all licenses issued by professional licensing boards.

(k) Taxes. Except for MIH Entertainment tax returns for 1997 and 1998, payroll taxes and Social Security taxes as set forth in Schedule 2.1(k), MIH has filed on a timely basis all tax returns and forms as required by applicable law, each such tax return or form is true, correct

and complete in all respects, and MIH has paid all taxes, interest, penalties, assessments and deficiencies shown as due and owing on or related to such tax returns or forms, except to the extent a failure to file such returns or pay such taxes will not have an adverse effect on the Assets. Except as set forth in Schedule 2.1(b), there are no liens burdening the Assets and arising from or related to such taxes, interest, penalties or other assessments, other than statutory liens for taxes to the extent that the payment thereof is not in arrears or otherwise due.

(l) Litigation. Except as set forth in Schedule 2.1(1), there is no action, suit, investigation, claim, arbitration or litigation pending or, to the knowledge of MIH, Gariano, Harnett or Bryant, threatened against or involving the Assets, or the propriety of this Agreement or any of the Other Agreements, at law or in equity, or before or by any court, arbitrator or governmental authority. To the knowledge of MIH, Gariano, Harnett or Bryant, MIH has complied and is in compliance with all laws, ordinances, regulations, awards, orders, judgments, decrees and injunctions applicable to the Assets.

(m) Employees. Schedule 2.1(m) correctly sets forth all Material Employment Arrangements now in effect. "Material Employment Arrangements" are employment or consulting arrangements providing for annual compensation in excess of fifty thousand dollars (\$50,000) per year or the equivalent thereof. To the knowledge of MIH, Gariano, Harnett or Bryant, no group of employees has any plans to terminate employment with MIH. All employee benefit plans, programs, policies and arrangements (including any "employee benefit plans" (as defined in section 3(3) of ERISA) which MIH maintains, is a party to, participates in or has any liability with respect to (the "Benefit Plans") comply and have been administered in form and in operation in all material respects with all applicable requirements of law. The parties acknowledge that Launch is not assuming any of MIH's Benefit Plans or any obligations thereunder.

(n) Environmental, Health, and Safety Matters. MIH has complied and is in compliance with all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment (collectively, "Environmental, Health, and Safety Requirements"), except where non-compliance would not reasonably be expected to have a material adverse effect.

(o) No Other Assets Used in Business. Except for the Assets, there are no material assets related to or used in connection with the Business.

(p) Accuracy of Statements. Neither this Agreement nor any Other Agreements nor any schedule, exhibit, statement, list, document, certificate or other information furnished or to be furnished by or on behalf of the MIH to Launch or any representative or affiliate of the Launch in connection with this Agreement, any Other Agreements or any of the transactions contemplated hereby or thereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.



2.2 Representations and Warranties by Launch. Launch represents and warrants to, and agrees with, MIH that:

(a) Launch's Organization and Authority. Launch is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has the requisite corporate power and authority to enter into this Agreement. This Agreement and each of the Other Agreements have been duly authorized by all necessary corporate action on the part of Launch. This Agreement has been, and each of the Other Agreements will have been at the Closing, duly executed and delivered by Launch and, when executed and delivered by the other parties hereto, each will constitute a legal, valid and binding agreement of Launch, enforceable in accordance with its terms.

(b) No Actions. There are no actions, suits, proceedings or governmental investigations or inquiries pending or, to the knowledge of Launch, threatened against Launch or its affiliates or their respective properties, assets, operations or business which involve the propriety of this Agreement or the Other Agreements or might delay, prevent or hinder the consummation of the transactions contemplated hereby or thereby.

(c) Consents. Except for the approval of Launch's Board of Directors no authorizations, consents, permits, orders or approvals are required to purchase the Assets from MIH and carry out the transactions contemplated hereunder and by the Other Agreements.

(d) No Conflict. The execution and delivery by Launch of this Agreement and the Other Agreements, the fulfillment of and the compliance with the respective terms and provisions of each, and the consummation of the transactions described in each, do not and will not conflict with or violate any United States law, ordinance, regulation, order, award, judgment, injunction or decree applicable to the Launch, or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of Launch's articles of incorporation or bylaws, or any contract, agreement, lease, commitment, or understanding.

### 3. **Additional Covenants and Agreements.**

3.1 Liability for Transfer Taxes. MIH shall be liable for all transfer taxes, sales and use taxes and similar taxes relating to the sale of the Assets and for any interest and penalties with respect to such taxes. Launch agrees to promptly notify MIH of receipt of any bills or other communication relating to such taxes.

3.2 Use of Cash Purchase Price. The Cash Purchase Price shall be used first, for the Cash Escrow Amount as provided in Section 1.1(b), second, for the satisfaction of the obligations listed in Schedule 3.2. MIH agrees to satisfy such obligations promptly and in no event more than two weeks following the Closing Date.

3.3 Sony Lease Consents. MIH shall obtain the consent of Sony Electronics, Inc. (“Sony”) to transfer and assign and to Launch any and all lease agreements between Sony and MIH within thirty days of the Closing.

4. INTENTIONALLY DELETED.

5. INTENTIONALLY DELETED.

6. Indemnification.

6.1 Indemnification by MIH, Gariano, Harnett and Bryant. Subject to the other provisions of Section 6, MIH, Gariano, Harnett and Bryant agree to jointly and severally indemnify Launch against, and agree to hold Launch harmless from, any and all losses (including any judgments, damages, fines, penalties, costs or expenses (including reasonable attorneys’ fees)) (“Losses”) actually sustained by Launch as a result of any of the following: (a) any breach of or any inaccuracy in any representation or warranty made by MIH, Gariano, Harnett or Bryant pursuant to this Agreement or the covenants of MIH in Section 3.1; (b) any liability to individuals or business entities that were clients of the Business prior to the Closing, including cash refunds (excluding any Assumed Liabilities); (c) any cost or liability related to or arising from breaches or disputes based on facts or circumstances occurring prior to the Closing; (d) any debt, claim, obligation or other liability arising from the Excluded Liabilities; (e) any debt, claim, obligation or other liability arising from the Assumed Liabilities prior to Closing; and (f) the ownership and use of the Assets prior to the Closing Date.

6.2 Indemnification by Launch. Subject to the other provisions of this Section 6, Launch agrees to indemnify MIH against, and agrees to hold MIH harmless from, any and all Losses actually sustained by such person as a result of any breach of or any inaccuracy in any representation or warranty or covenant made by Launch pursuant to this Agreement.

6.3 Notice of Claims; Assumption of Defense. The indemnified party shall give prompt notice to the indemnifying party of the assertion of any claim, or the commencement of any suit, action or proceeding by any party in respect of which indemnity may be sought hereunder, specifying with reasonable particularity the basis therefor and to give the indemnifying party such information with respect thereto as the indemnifying party may reasonably request (but the giving of such notice shall not be a condition precedent to indemnification hereunder, except to the extent the indemnifying party has been prejudiced by the failure of the indemnified party to give such notice). The indemnifying party may, at its own expense with counsel chosen by it, (i) participate in and (ii) without acknowledging that the indemnified party is entitled to indemnification pursuant to Section 6.1 or Section 6.2 for Losses arising out of such claim, suit, action or proceeding, at any time during the course of any such claim, suit, action or proceeding, assume the defense thereof; provided that (x) the indemnifying party’s counsel is reasonably satisfactory to the indemnified party, and (y) the indemnifying party shall thereafter consult with the indemnified party upon the indemnified party’s reasonable request for such consultation from time to time with respect to such claim, suit, action or proceeding. If the indemnifying party assumes such defense, the indemnified party shall have

the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnifying party. Whether or not the indemnifying party chooses to defend or prosecute any such claim, suit, action or proceeding, all of the parties hereto shall cooperate in the defense or prosecution thereof.

6.4 Settlement or Compromise. Any settlement or compromise made or caused to be made by the indemnified party, or the indemnifying party, as the case may be, of any such claim, suit, action or proceeding of the kind referred to in Section 6.3 shall also be binding upon the other party in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided that the indemnifying party shall not enter into any such settlement or compromise unless the indemnifying party shall have obtained a complete and unconditional release of the indemnified party. If the indemnifying party has not assumed the defense, the indemnified party will give the indemnifying party at least thirty (30) days' notice of any proposed settlement or compromise of any claim, suit, action or proceeding it is defending, during which time the indemnifying party may assume the defense of such claim, suit, action or proceeding and if it does so the proposed settlement or compromise may not be made.

6.5 Procedure for Indemnification. (a) Upon becoming aware of a claim for indemnification hereunder (whether as a result of any claim, suit, action or proceeding of the kind referred to in Section 6.3, or in connection with any Losses which the indemnified party deems to be within the ambit of this Section 6), the indemnified party shall promptly give notice of such claim to the indemnifying party, providing reasonable detail of how the claim has arisen and an estimate of the amount the indemnified party reasonably anticipates that it will be entitled to on account of indemnification by the indemnifying party.

## 7 Dispute Resolution; Arbitration

7.1 Dispute Resolution. In the event any dispute arises in connection with this Agreement, the parties agree to use all commercially reasonable efforts to settle such dispute by consulting and negotiating with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution satisfactory to both parties. If the matter is not resolved within ninety (90) days, then the disputes or differences shall be finally settled by arbitration in accordance with the provisions of this Article 7.

7.2 Arbitration. If the parties are unable to resolve their dispute or differences in accordance with the provisions of Section 7.1, the dispute or differences shall be finally settled by arbitration in accordance with this Article 7 and the Rules of the American Arbitration Association (the "AAA Rules"). In the event of any conflict between this Article 7 and the AAA Rules, this Article 7 shall control. Prior to any such arbitration, the parties agree to use all reasonable good faith efforts to reach satisfactory resolution among themselves.

7.3 Arbitration Panel. A panel of three arbitrators shall be formed in the following manner (the "Arbitration Panel"). Launch shall appoint one arbitrator and MIH shall appoint one

arbitrator, and those two arbitrators shall choose the third arbitrator. If the Arbitration Panel is not formed within sixty (60) days after the expiration of the deadline for referral to arbitration set forth in Section 7.1, either party may request the American Arbitration Association to select the Arbitration Panel. All of the arbitrators shall be unaffiliated in any manner with any of the parties.

7.4 Procedures. The arbitrators shall allow such discovery as the arbitrators determine to be appropriate under the circumstances and shall resolve the dispute as expeditiously as practicable, and if reasonably practicable, within ninety (90) days after the selection of the arbitrator(s). The arbitrators shall hold a conference with the parties as soon as practicable, to define and narrow the issues and claims to be arbitrated, to define and limit discovery, and to identify the form of evidence to be presented. The arbitrators shall conduct the arbitration procedure in accordance with the AAA Rules. The arbitrators shall conduct such evidentiary or other hearings as they deem necessary or appropriate and thereafter shall make their determination as soon as practicable. A full and complete record and transcript of the arbitration procedure shall be maintained and the judgment of the arbitrators shall be accompanied by detailed written findings of fact and the conclusions reached by the arbitrators (which findings and conclusions the arbitrators shall be required to make), as well as the arbitrators' reasons for reaching such conclusions. The arbitrators shall give the parties written notice of the decision, with the reasons therefor set out, and shall have thirty (30) days thereafter to reconsider and modify such decision if any party so requests within ten (10) days after notice of the decision has been given to such party. Thereafter, the decision of the arbitrators shall be final, binding and nonappealable with respect to all persons, including persons who have failed or refused to participate in the arbitration process, and shall be reviewable only to the extent provided by the AAA Rules.

7.5 Specifics of Arbitration. The arbitration shall take place in Chicago, Illinois. The arbitrators shall have authority to award relief under legal or equitable principles, and to allocate responsibility for the costs of the arbitration and to award recovery of attorney's fees and expenses in such manner as is determined to be appropriate by the arbitrators. The arbitration award shall be final and binding on the parties, and shall deal with the question of costs of arbitration and all matters related thereto. Judgment upon the award rendered may be entered into any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or any order of enforcement thereof, as the case may be. The arbitration shall be governed by the choice of laws set forth in Section 8.9.

7.6 Confidentiality. All proceedings under this Article 7, and all evidence given or discovered pursuant hereto, shall be maintained in confidence by all parties.

7.7 Continued Performance. The fact that the dispute resolution procedures specified in this Article 7 shall have been or may be invoked shall not excuse any party from performing its obligations under this Agreement, and during the pendency of any such procedure all parties shall continue to perform their respective obligations in good faith, subject to any rights to terminate this Agreement that may be available to any party.

**8. Miscellaneous.**

8.1 Waiver of Conditions. Any party to this Agreement may, at its option, waive in writing any or all of the conditions herein contained to which its obligations hereunder are subject.

8.2 Expenses. Launch shall bear the direct and reasonable expenses incurred by MIH in connection with this Agreement, including, but not limited to, attorneys' fees and accounting fees. In no event shall such expenses exceed, in the aggregate, \$25,000.

8.3 Notices. Any notice, request, instruction or other document to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given, (i) when received if given in person or by overnight courier, (ii) on the date of acknowledgment of receipt if sent by telex, facsimile or other wire transmission or (iii) three days after being deposited in the mail, certified or registered mail, postage prepaid:

If to MIH, addressed as follows:

Made In Heaven Entertainment, Inc.  
216 West Ohio Street  
Chicago, Illinois 60610  
Attention:  
Facsimile: (312) 751-9088

with a copy to:

Robinson, Curley & Clayton, PC  
300 South Wacker Drive  
Suite 1700  
Chicago, Illinois 60606  
Attention: Alan F. Curley  
Facsimile: (312) 663-0303

If to Harnett:

Michael Harnett  
3703 West Wrightwood  
Chicago, Illinois 60647

If to Gariano:

David Gariano  
400 North McClurg Court  
Unit 3001  
Chicago, Illinois 60611

If to Bryant:

Gerald Bryant  
10 East Ontario  
Chicago, Illinois 60611

If to Launch, addressed as follows:

Launch Media, Inc.  
2700 Pennsylvania Avenue  
Santa Monica, California 90404  
Attention: Senior Vice President,  
Business and Legal Affairs  
Facsimile: (310) 520-4400

with a copy to:

Mayer, Brown & Platt  
190 S. LaSalle Street  
Chicago, Illinois 60603  
Attention: Seth Weinberger  
Facsimile: (312) 706-8225

or to such other individual or address as a party hereto may designate for itself by notice given as herein provided.

8.4 Brokers. Each of the parties hereto represents and warrants to the other parties that no broker or finder is entitled to any brokerage or finder's fee or other commission from such party based on agreements, arrangements or undertakings made by such party or in connection with the transactions contemplated hereby.

8.5 Press Releases. Each party hereto agrees that no press release or similar public announcement or communication with the media will be made or caused to be made concerning the execution of this Agreement or the transactions contemplated hereunder without written approval in advance by the other parties hereto.

8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

8.7 Headings. The headings herein are for convenience of reference only, do not constitute a part of this Agreement, and shall not be deemed to limit or affect any of the provisions hereof.

8.8 Assignment. This Agreement and the respective rights and obligations of the parties may not be assigned except with the consent of the other parties hereto. Notwithstanding the foregoing, this Agreement and Launch's rights and obligations hereunder or under any of the Other Agreements may be assigned by Launch to any wholly owned subsidiary thereof without such consent. No assignment shall relieve the assigning party of its obligations hereunder.

8.9 No Third Party Beneficiaries. Except as expressly indicated to the contrary in this Agreement, this Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon third parties any remedy, claim, liability, cause of action or other right in excess of those existing without reference to this Agreement.

8.10 Governing Law. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to the principles of conflicts of laws thereof.

8.11 Entire Agreement. This Agreement, including the Other Agreements, contains the entire understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

8.12 Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, including using all commercially reasonable efforts to remove any legal impediment to the consummation or effectiveness of such transactions and to obtain any consents and approvals required under this Agreement and whatever may be necessary or appropriate to effect the assignment of all intangible assets listed in Schedule 1 to Launch or its designated wholly-owned subsidiary.

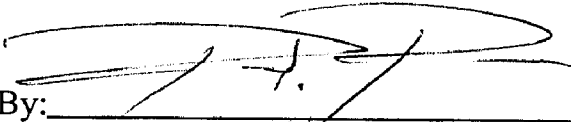
8.13 Severability. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

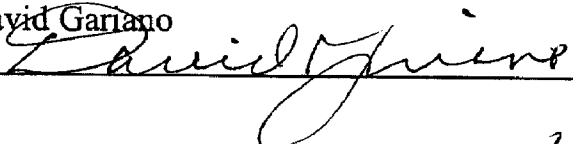
8.14 Construction. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

8.15 Disclosures. Disclosure on any Schedule hereto or subsection thereof constitutes disclosure pursuant to any and all other sections of this Agreement and on all other applicable schedules and subsection thereof.

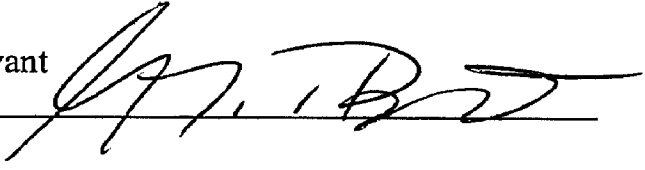
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LAUNCH MEDIA, INC.

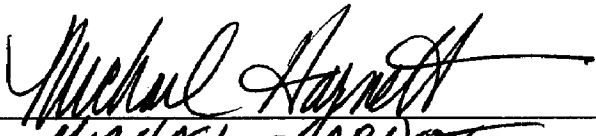
  
By: \_\_\_\_\_  
Name: ROBERT D. ROBACK  
Title: PRESIDENT

David Garrano  
  
\_\_\_\_\_


Michael Harnett   
\_\_\_\_\_

Gerald Bryant   
\_\_\_\_\_

MADE IN HEAVEN ENTERTAINMENT, INC.

  
By: \_\_\_\_\_  
Name: MICHAEL HARNETT  
Title: PRESIDENT

MADE IN HEAVEN MANAGEMENT, INC.

  
By: \_\_\_\_\_  
Name: MICHAEL HARNETT  
Title: PRESIDENT



## SCHEDULE 1.1

### Assets

1. Accounting, auditing and other books and records relating to the business.
2. The following items:
  - (a) Audio and Video Recording and Editing Equipment (see attached list 2(a))
  - (b) Collection of approximately 15,000 Music Video Tapes
  - (c) Collection of Artist Interview Video Tapes (see attached list 2(c))
  - (d) Collection of Artist Acoustic Performance Video Tapes (see attached list 2(d))
  - (e) Collection of Live Concert Video Tapes
  - (f) Collection of Music Memorabilia (see attached list 2(f))
  - (g) Collection of Music Compact Discs
3. Furniture and fixtures on premises at 216 West Ohio, Second Floor, Chicago, Illinois, including 10 ton HVAC roof unit, Minolta copier and Canon telecopier.
4. Intellectual Property listed on Schedule 2.1(h)
5. Sony Electronics Inc., ("Sony") Equipment Leases (2) dated April 24, 1995 and July 12, 1995, covering the following equipment:
  - (a) 3 - DVWA500 Digital Betacam
  - (b) 3 - RMM110 Rack mount
  - (c) 2 - BVM1911 19" precision monitor
  - (d) 2 - BKM2085/20 4:2:2 input module
  - (e) 1 - TC400D Ensemble Design TBC remote
  - (f) 6 - PAC5041Q Sony triple 5" mon. in rack
  - (g) 2 - TSM 51 waveform monitor
  - (h) 2 - VSM61 Videotek vectorscope
  - (i) 2 - DRC1 Videotek dual rack mount
  - (j) 4 - CAB100 Ensemble Designs cables (75')
  - (k) 1 - DVW Digital Betacam Editing Recorder
  - (l) 1 - BKDW505 Composite Analog Input Board
6. Scitex Digital Video, Inc. ("Scitex"), as successor to General Electric Capital Corporation ("GE Capital"). Equipment lease dated September 18, 1996, Subject to Assignment dated August 27, 1999, covering the following equipment:
  - (a) 1 - Texus Single Std. Sys.
  - (b) 1 - 7100 Texus Control Panel
  - (c) 2 - 7100 Texus Component Digital Output
  - (d) 1 - 7100 Texus Animation Software
  - (e) 1 - 7100 Texus Gold Software and Operation Control Package
  - (f) Abekas 8150 digital video switcher
  - (g) Abekas digital video character generator
  - (h) Abekas digital video disk recorder
  - (i) Abekas digital video editor
  - (j) Axial 2010 digital editor with bridge chassis and decoder.

7. Oral lease with Valet Parking Service, Inc., as lessor, for premises at 216 West Ohio Street, Second Floor, Chicago, Illinois. Term is month-to-month.
8. Contract between MIH Entertainment and KXKT Omaha for production of television commercial, for contract price of \$7,500.
9. Contract between MIH Entertainment and KGGO Des Moines for production of television commercial, for contract price of \$7,500.

## SCHEDULE 2.1(h)

### Intellectual Property

- (1) Alternative Rock Sampler, Copyright registration number PAU 1-988-811, October 19, 1995.
- (2) Alternative Rock Radio Television Commercial, Copyright registration number PAU 1-934-474, October 2, 1995.
- (3) Smooth Jazz Sampler, Copyright registration number PAU 2-054-777, November 2, 1995.
- (4) Format Sampler Fall 1995, Copyright registration number PAU 2-011-999, October 26, 1995.
- (5) Various common law copyrights (unregistered) for JBTV footage.
- (6) Various common law copyrights (unregistered) for SuperSpots television commercials.
- (7) "Where Radio Meets TV," United States Trademark No. 1,868,558 registered December 20, 1994.
- (8) "JBTV," United States Trademark No. 1,903,081 registered July 4, 1995.
- (9) SuperSpots," United States Trademark No. 1,466,521 registered November 24, 1987.
- (10) MIH grants one-year licenses to clients to use MIH's copyrighted television commercials in the clients' market area, several of which are anticipated to be in force as of the closing date. All license agreements in force have been previously provided to Launch.
- (11) As previously disclosed to Launch, the interviews constituting the Artist Interview Library, the music videos constituting the Music Video Library, the video recordings constituting the Artist Acoustic Library and the video recordings constituting the Live Concert Library, and the intellectual property incorporated therein, are not owned free and clear by MIH. MIH has limited licenses, some of which are written and have been previously provided to Launch, others of which are oral, all of which entitle MIH to use such materials on satellite, cable and broadcast television with the United States.
- (12) With respect to items subject to the Sony lease and GE Capital lease identified in Schedule 1, MIH (or its assignee, Launch), will not have good and valid title unless and until all of the scheduled lease payments are made.