

08-05-2003



U.S. Department of Commerce
Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Ple.

102516469

1. Name of conveying party(ies):
Primedia Magazines, Inc. *7-30-03*

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

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

3. Nature of conveyance:
 Assignment _____ Merger _____
 Security Agreement _____ Change of Name _____
 Other _____

Execution Date: **December 20, 2002**

2. Name and address of receiving party(ies):
 Name: **Laufer Media, Inc.**
 Internal Address: _____
 Street Address: **18712 Hillsboro Road**
 City: **Northridge** State: **CA** Zip: **91326**

Individual(s) citizenship _____
 Association _____
 General Partnership: _____
 Limited Partnership: _____
 Corporation - State: **California**
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes _____ No _____
 (Designation 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 No.(s): **2,224,372 and 2,365,629**

Additional numbers attached? Yes _____ No

5. Name and address of party to whom correspondence concerning documents should be mailed:
 Name: **Mandy Robertson-Bora**
 Internal Address: **Gibson, Dunn & Crutcher LLP**
Suite 4000
 Street Address: **2029 Century Park East**
 City **Los Angeles** State **CA** Zip **90067**

6. Total number of applications and registrations involved: **2**

7. Total fee (37 CFR 3.41): \$ **65.00**
 Enclosed
 _____ Authorized to be charged to deposit account

8. Deposit account number: _____
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

Mandy Robertson-Bora *Mandy Robert-Bora* **July 30, 2003**
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments and document: **31**

08/04/2003 DBYRME 00000119 2224372
 01 FD-558 0651-0011 40.00 OP
 02 FC-78322 23.00 OP

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

U.S. Patent and Trademark Office, Assignment Division
Box Assignments
Washington, D.C. 20231

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TRADEMARK
REEL: 002793 FRAME: 0402

TRADEMARK ASSIGNMENT

TRADEMARK ASSIGNMENT, made as of December 20, 2002, between PRIMEDIA Magazines, Inc. and Primedia Magazine Finance, Inc., Delaware corporations ("Assignors"), and Laufer Media, Inc., a California corporation ("Assignee").

WHEREAS, Assignors, with offices at c/o PRIMEDIA Inc. 745 5th Avenue, New York, NY 10151, are the owners of trademarks, service marks, trade names and trade dress listed on Schedule A attached hereto and is the owner of the registrations and pending applications, if any, also listed on Schedule A (collectively, the "Marks"); and

WHEREAS, Assignee, with offices at 18712 Hillsboro Road, Northridge, CA 91326, desires to acquire any and all rights that Assignor may have in and to the Marks and the registrations and applications thereof together with the goodwill of the Business in connection with which Marks are used; and

WHEREAS, Assignors and Assignee have executed an Asset Purchase Agreement on the date hereof (the "Purchase Agreement"), pursuant to which Assignee is acquiring the assets primarily related to the Business (as defined in the Purchase Agreement) from the Assignors;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignors hereby sell, assign and transfer to Assignee, its successors and assigns, absolutely and forever, their entire right, title and interest, whether statutory or at common law, in and to these Marks throughout the world, together with the goodwill of the Business symbolized by them, and all registrations and pending applications therefore in the United States, including but not limited to all causes of action for any and all previously occurring infringements of the rights being assigned and the right to receive and retain the proceeds relating to those infringements.

Assignors agree to execute any further papers and to do such other acts (without the expenditure of funds) as may be necessary and proper to vest full rights, title and interest in and to the Marks in the Assignee.

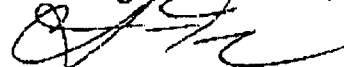
IN WITNESS WHEREOF, the Assignors has executed this Trademark Assignment as of the date first written above.

PRIMEDIA Magazines, Inc.

By: 

Name: **Christopher A. Fraser**
Title: **Senior Vice President**

PRIMEDIA Magazine Finance, Inc.

By: 

Name: **Christopher A. Fraser**
Title: **Senior Vice President**

Laufer Media, Inc.

By: _____

Name:

Title:

Schedule A

Please see below and attached.

All trademarks, service marks, trade names, trade dress, registrations, pending applications and related rights and interests required to be transferred to Assignee (other than any trademarks, service marks, trade names trade dress, registrations, pending applications and related rights and interests to be transferred to Assignee by PRIMEDIA Magazines, Inc.) pursuant to the terms of the Purchase Agreement.

C 50-1111-10000 02

ASSET PURCHASE AGREEMENT

Dated as of December 20, 2002

11/10/02

ASSET PURCHASE AGREEMENT

AGREEMENT, dated as of December 20, 2002 (this "Agreement") between PRIMEDIA Magazines Inc., a Delaware corporation, PRIMEDIA Magazine Finance Inc. (collectively, "Seller"), and Laufer Media, Inc. a California corporation ("Purchaser").

WHEREAS, Seller owns and operates the publications listed on Schedule A of this Agreement (the "Publications");

WHEREAS, upon the terms and conditions set forth herein, Seller desires to sell and Purchaser desires to purchase certain of the assets of Seller relating to the ownership and operation of the Publications (the "Business").

NOW, THEREFORE in consideration of the mutual covenants and the respective representations and warranties contained herein, the parties hereby agree as follows:

ARTICLE I. PURCHASE AND SALE OF ASSETS

1.01 **Assets Being Sold**. Upon the terms and subject to the conditions of this Agreement, on the Closing Date referred to in Article II hereof, Seller is conveying, assigning and transferring to Purchaser, and Purchaser is purchasing and acquiring from Seller, all of Seller's right, title and interest in all of the following assets of the Seller relating solely to the Publications, as such assets shall exist on the Closing Date (such assets collectively referred to herein as the "Assets"):

- (i) all imprints, titles, names, trade names, trademarks and service marks (and all applications and registrations therefor) related solely to the Publications;
- (ii) all accounts receivable in connection with advertising and newsstand sales of issues of the Publications that go on sale after January 14, 2003 (the "Purchaser's Issues").
- (iii) all copyrights owned by and all rights of Seller under any copyright laws, together with any copyright registrations and applications therefore, related solely to the Publications;
- (iv) all copy, films, mechanicals, artwork, plates, plate-making film,

photographs and other reproduction materials related solely to the Publications;

(v) all merchandise inventory in Seller's possession or held on behalf of Seller on the Closing Date;

(vi) all agreements related solely to the Publications listed on Schedule B of this Agreement, whether fully performed or wholly or partially executed on the Closing Date;

(vii) all URL's related solely to the Publications;

(viii) all existing advertising, promotional and marketing materials related solely to the Publications;

(ix) all copies of back issues of the Publications with the exception of one copy for each issue which Seller may keep;

(x) all of the goodwill and going concern value directly relating to the Business; and

(xi) All books, records and statistical and textual data (whether in print or electronic format) relating to the Publications provided, however, that Seller may retain copies of documents needed for tax or accounting records.

1.02 **Excluded Assets/Liabilities.** The "Assets" shall not include, and Purchaser acknowledges that there shall be excluded from the Assets, all other assets of Seller not specifically listed in Section 1.01, including, without limitation, any and all cash or cash equivalents of Seller related to the Business, all of Seller's accounts receivables not specifically designated as Assets in Section 1.01(ii), including without limitation all accounts receivable in connection with advertising and newsstand sales of issues of the Publications that go on sale prior to January 14, 2003 (the "Seller's Issues") (collectively, the "Excluded Assets"). Other than as expressly set forth in this Agreement, Purchaser is not assuming any liabilities of Seller.

1.03 **Assumed Liabilities.** On the Closing Date, Purchaser shall (a) assume and comply with

all executory obligations of Seller under each contract and agreement that is listed on Schedule B of this Agreement, (b) assume and pay all expenses directly related to the first issue of the Publications shipped after the Closing Date and all future issues of the Publications to be shipped after January 14, 2003 ("Purchaser's Issues"), and (c) any liability relating to retail display allowances for Purchaser's Issues. The foregoing liabilities being assumed by Purchaser are referred to hereinafter collectively as the "Assumed Liabilities." Except for the Assumed Liabilities, Purchaser is not assuming any other liabilities of Seller in connection with the Business, except as set forth in this Agreement and any liability arising from the conduct of the Business on and after the Closing Date. Liabilities of the Seller other than Assumed Liabilities are herein referred to as the "Excluded Liabilities."

1.04 **Initial Purchase Price.** In consideration of the sale, transfer, conveyance and assignment of the Assets by Seller to Purchaser at the Closing, Purchaser agrees to pay to Seller (i) \$500,000 on the Closing Date (the "Initial Purchase Price") and (ii) \$255,835 on the second anniversary of Closing Date, subject to adjustment pursuant to Section 1.05 (the "Additional Payment"). The payment of all amounts under this Section shall be made by wire transfer of immediately available funds in New York City to the account or accounts specified in writing by Seller.

1.05 **Additional Payment Adjustment.**

- (i) "2002 Unit Sales" shall mean copy sales from all sources, net of returns for the Publications on sale in 2002.
- (ii) "Teen Beat Target" shall mean 2002 Unit Sales for Teen Beat of 196,664.
- (iii) "Tiger Beat Target" shall mean 2002 Unit Sales for Tiger Beat of 251,316.
- (iv) No later than June 30, 2003, Seller shall provide Purchaser with a statement of the 2002 Unit Sales for Teen Beat and Tiger Beat ("Seller's Statement") together with relevant third party reports and documentation. If Purchaser fails to object to the Seller's Statement within 60 days, the Seller's Statement shall become the "Final Statement" and shall be used as the basis for adjusting the Additional

Payment. If Purchaser provides Seller in writing with notice that Purchaser disputes the Seller's Statement, the parties will endeavor in good faith to resolve such dispute and agree on the Final Statement. In the event that such dispute is not resolved within 30 days of the date of Purchaser's dispute notice, the parties agree to submit such dispute to a mutually agreed upon arbitrator whose decision regarding the Final Statement shall be final, binding and not subject to appeal or any further legal action by either party. Such arbitration shall be conducted in New York City and shall be governed by the rules of the American Arbitration Association.

(v) Based upon the information in the Final Statement, the Additional Payment shall be increased by \$11.9139 for every 2002 Unit Sale of Teen Beat in excess of the Teen Beat Target and \$12.0438 for every 2002 Unit Sale of Tiger Beat in excess of the Tiger Beat Target. If the 2002 Unit Sales for Teen Beat are less than the Teen Beat Target, the Additional Payment shall be reduced by \$11.9139 per unit for the shortfall. If the 2002 Unit Sales for Tiger Beat are less than the Tiger Beat Target, the Additional Payment shall be reduced by \$12.0438 per unit for the shortfall.

(vi) In the event that the adjustment in 1.05(v) results in a net increase in the Additional Payment, the amount of that increase shall be paid on the first anniversary of the Closing Date (for the avoidance of doubt the remainder of the Additional Payment will be paid on the second anniversary of the Closing Date). In the event that the adjustment in 1.05(v) results in a net decrease in the Additional Payment, the Additional Payment, as adjusted, if any, shall be paid on the second anniversary of the Closing Date. In the event that the adjustment in 1.05(v) results in the Additional Payment being a negative number, the Seller shall not be required to refund any portion of the Initial Purchase Price or to otherwise make any payment to Purchaser as a result of such adjustment.

ARTICLE II. CLOSING

The closing (the "Closing") of the transactions contemplated by this Agreement shall take place at the offices of Seller, 745 Fifth Avenue, New York, New York 10151, simultaneous with the execution of

this Agreement or upon agreement of the parties, and shall take place upon exchange of signed documents by mail and/or facsimile. For purposes of this Agreement, all determinations to be made as of the Closing Date shall be made as of 11:59 p.m. on the Closing Date. The actual time and date of Closing are referred to herein as the "Closing Date." At the Closing, the parties shall execute and deliver to each other the documents referred to in Article VI hereof.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows:

3.01 **Organization of Seller.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

3.02 **Authorization.** The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate and stockholder action of Seller. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

3.03 **No Conflicts.** Neither the execution, delivery or performance of this Agreement nor the consummation by Seller of the transactions contemplated hereby, nor compliance by Seller with the terms and provisions hereof, will (i) conflict with the Certificate of Incorporation or By-Laws of Seller; (ii) conflict with, or result in the material breach or termination of, or constitute a default (or with notice or lapse of time or both, constitute a default) under or result in the termination or suspension of, or accelerate the performance required by the terms, conditions or provisions of, any material note, bond, mortgage, indenture, license, lease, agreement, commitment or other instrument to which Seller is a party or by which Seller is bound; (iii) constitute a material violation by Seller of any law or statute or any judgment, ruling, order, writ, injunction, decree, rule or regulation of any court or governmental authority applicable to

Seller; or (iv) result in the creation of any material lien or encumbrance upon any of the Assets.

3.04 **No Consents**. No material order, permission, consent, approval, license, authorization, registration, or validation of, or filing with, or notice to, or exemption by, any governmental authority, commission, board, or agency is required to authorize, or is required in connection with, the execution, delivery or performance by Seller of this Agreement.

3.05 **Compliance with Laws**. Seller is in compliance with all material applicable statutes, laws, rules, regulations, orders and ordinances of any governmental authority, as such laws apply to the Business.

3.06 **Litigation**. There are no actions, suits, inquiries, proceedings or investigations pending, or, to the best of Seller's knowledge, threatened before any court or governmental or administrative body or agency against Seller relating solely to the Publications or to the transactions contemplated by this Agreement.

3.07 **Intellectual Property**. Schedule C attached hereto contains an accurate and complete description of all registered trademarks owned by Seller relating to the Publications and all existing and pending federal and state trademark registrations and applications therefor (the "Marks"). To the knowledge of Seller, neither the Marks nor the material copyright registrations owned by Seller ("Copyrights," together with the Marks, the "Intellectual Property"), infringes on any trademarks, patents, copyrights or any other rights of any person which infringement, if decided adversely to Seller in connection with any claim or charge of infringement, would be reasonably likely to have a material adverse effect on the Business or the Publications. None of the Marks has been abandoned by Seller and none of the Marks or Copyrights is subject to any outstanding material order, decree, judgment, stipulation, injunction, written restriction or agreement restricting the scope of use thereof. To the knowledge of Seller, there are no material infringing or diluting uses of the Marks. Except for the licenses listed on

Schedule D and licenses and permissions for one-time or limited use granted in the ordinary course of business, Seller has not granted any license to any person or entity to use any of the Marks.

3.08 **Title to Assets.** Seller is transferring to Purchaser all of Seller's right and title to the Assets free and clear of any liens.

3.09 **Financial and Statistical Data.** Attached hereto as Schedule E is a statement reflecting the non-newsstand-sale-related expenses of the Business for the nine-month period ended September 30, 2002. This statement is true and accurate in all material respects.

3.10 **Contracts and Agreements.** All the contracts and agreements which are being assumed by Purchaser, whether written or oral, relating to the Publications are set forth on Schedule B attached hereto.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents and warrants to Seller as follows:

4.01 **Organization of Purchaser.** Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has the full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

4.02 **Authorization.** The execution, delivery and performance by Purchaser of this Agreement and the consummation by Purchaser of the transactions contemplated hereby have been duly authorized by all necessary corporate and stockholder action of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms.

4.03 **No Conflicts.** Neither the execution, delivery or performance of this Agreement, nor the consummation by Purchaser of the transactions contemplated hereby, nor compliance by Purchaser with the terms and provisions hereof will: (i) conflict with the Certificate of Incorporation or By-Laws of Purchaser; (ii) conflict with, or result in the material breach or termination of, or constitute a default (or with notice or lapse of time or both, constitute a default) under or result in the termination or suspension

of, or accelerate the performance required by any of the terms, conditions or provisions of, any material note, bond, mortgage, indenture, license, lease, agreement, commitment or other instrument to which Purchaser is a party or by which Purchaser is bound; or (iii) constitute a material violation by Purchaser of any law or statute or any judgment, ruling, order, writ, injunction, decree, rule or regulation of any court or governmental authority applicable to Purchaser.

4.04 **No Consents.** No material order, permission, consent, approval, license, authorization, registration, or validation of, or filing with, or notice to, or exemption by, any governmental authority, commission, board, or agency is required to authorize, or is required in connection with, the execution, delivery or performance by Purchaser of this Agreement.

4.05 **Litigation.** There are no material actions, suits, inquiries, proceedings or investigations pending, or, to Purchaser's knowledge, threatened before any court or governmental or administrative body or agency against Purchaser relating to the transactions contemplated by this Agreement.

4.06 **Purchaser's Examination.** (a) Purchaser is not relying on any forecasted operating results or budgets prepared by or on behalf of Seller; and (b) Purchaser acknowledges and agrees that no representation or warranty has been or is being made by Seller except as expressly set forth in this Agreement. No representation or warranty is being made as to the future operations or prospects of the Publications or Business.

ARTICLE V. FURTHER AGREEMENTS OF THE PARTIES

5.01 **Expenses.** Purchaser and Seller shall bear their own respective expenses incurred in connection with the negotiation and preparation of this Agreement and the consummation and performance of the transactions contemplated hereby and thereby and in connection with all obligations required to be performed by each of them under this except as may otherwise be provided herein.

5.02 **Transfer Taxes.** Seller and Purchaser shall each pay one-half of any state or local sales, transfer or like taxes payable in connection with the transactions contemplated pursuant to this Agreement.

5.03 **Further Assurances.** Each of Purchaser and Seller shall execute such documents and other papers and take such further actions as the other party may reasonably request in order to carry out the provisions hereof and the transactions contemplated hereby. Purchaser agrees to provide reasonable cooperation to Seller in connection with Seller's defense to any pre-closing claims relating to missing photographs including, without limitation, allowing Seller to have reasonable access to materials of the Business. Seller acknowledges that any such claims relating to pre-Closing periods are Excluded Liabilities.

5.04 **Bulk Sales Law.** Purchaser waives compliance by Seller with the requirements of any bulk sales law, if and to the extent applicable to the transactions contemplated by this Agreement.

5.05 **Payments.**

(a) All checks and other payments received by either party on or after the Closing Date which properly belong to the other party pursuant to the terms hereof shall be promptly forwarded to the other party and each party authorizes the other to endorse and deposit any such checks which may be made payable to the other. Any amount payable by Purchaser or Seller under this Section 5.05 may be offset against amounts owed such party under Section 5.06.

(b) Purchaser acknowledges and agrees that Seller shall retain all monies collected prior to the Closing Date on account of the licensing agreements included on Schedule D attached hereto (the "Licensing Agreements"). Seller acknowledges and agrees that Purchaser shall be entitled to all future payments under the Licensing Agreements.

5.06 **Termination of Non-Compete.** Seller hereby terminates the obligations of Laufer Publishing Company, Scott Laufer, Julie Jenkins and Teena Naumann under their Non-Competition Agreement with Seller dated December 4, 1998.

5.07 **Printing Contract.** Seller and Purchase shall use reasonable commercial efforts (not including the expenditure of any monies) to obtain a consent from Fry Communications Inc. ("FCI") to the

assignment of the Fry Communications, Inc. Publication Printing Contract between Seller and FCI (the "FCI" Contract") in such a way that Seller shall have no further liability under the FCI Contract. In the event that FCI fails to consent to such an assignment Seller and Purchaser shall (i) cooperate to provide that Seller receive the benefits of the FCI Contract provided that Purchaser pay for the corresponding liabilities under the FCI Contract and (ii) establish an escrow account for Seller's benefit into which Purchaser shall pay in advance of receiving each month's services under the FCI Contract, one-half of the estimated amounts that would be owed for that month.

5.08 **Defamation Claims Insurance.** In the event that Purchaser, any of Purchaser's employees or any of the Publications are named as defendants in a libel or defamation claim relating to material published in a Seller's Issue, Seller agrees to provide any such defendant with the benefit of Seller's publisher's liability insurance policy.

ARTICLE VI. DELIVERIES.

6.01 **Documents to be Delivered by Seller.** At the Closing, Seller shall deliver to Purchaser the following:

- (a) a copy of resolutions adopted by the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement and a certificate of the secretary or assistant secretary of Seller, dated the Closing Date, stating that such resolutions were duly adopted and are in full force and effect at such date, and setting forth the incumbency of each person executing this Agreement, or any document required by this Section 6.01 on behalf of Seller;
- (b) an Assignment of Trademarks, dated the Closing Date, pursuant to which Seller assigns the trademarks, servicemarks, applications for trademarks and servicemarks, etc. of the Business;
- (c) an assignment of all rights to the URL's related to the Publications;
- (d) a bill of sale transferring all other business, properties and assets relating to the Publications; and

(e) evidence satisfactory to Purchaser of termination of the non-competition agreement signed by the president of Purchaser.

6.02 **Documents to be Delivered by Purchaser.** At the Closing, Purchaser shall deliver to Seller the following: a copy of resolutions adopted by the Board of Directors of Purchaser authorizing the execution, delivery and performance of this Agreement and a certificate of the secretary or assistant secretary of Purchaser, dated the Closing Date, stating that such resolutions were duly adopted and are in full force and effect at such date, and setting forth the incumbency of each person executing this Agreement, or any document required by this Section 6.02 on behalf of Purchaser.

ARTICLE VII. INDEMNIFICATION.

7.01 **Survival.** The provisions of this Agreement shall survive the Closing for a period of one year from the Closing Date. The expiration of any representation or warranty shall have no effect on the continued validity of any claim if notice was given in accordance with this Article before the date of such expiration.

7.02 **Indemnification by Seller.** Seller shall indemnify Purchaser and hold Purchaser harmless against and in respect of any and all damages, losses, claims, penalties, liabilities, costs and expenses (including, without limitation, all fines, interest, legal fees and expenses and amounts paid in settlement), that arise from or relate or are attributable to (and without giving effect to any tax benefit to the indemnified party) (a) any misrepresentation by Seller or breach of a warranty made under Article III hereof, (b) any breach of any covenant or agreement on the part of Seller set forth herein, and (c) the Excluded Liabilities.

7.03 **Indemnification by Purchaser.** Purchaser shall indemnify Seller and hold Seller, Seller's affiliates and their respective officers, directors, employees and shareholders harmless against and in respect of any and all damages, losses, claims, penalties, liabilities, costs and expenses (including, without limitation, all fines, interest, legal fees and expenses and amounts paid in settlement), that arise

from or relate or are attributable to (and without giving effect to any tax benefit to the indemnified party) (a) any misrepresentation by Seller or breach of any warranty by Seller set forth in Article IV hereof, (b) any breach of any covenant or agreement on the part of Seller set forth herein, and (c) the Assumed Liabilities.

7.04 **Limitations.** Notwithstanding Section 7.02 hereof, Seller shall have no liability to indemnify Purchaser on account of any claim pursuant to Section 7.02(a) hereof unless and until the aggregate liability of Seller in respect of such claims, when aggregated with its liability in respect of all other claims made by Purchaser under this Agreement, amounts to \$35,000 ("Basket Amount") or greater and then the Purchaser shall be indemnified only for amounts in excess of such Basket Amount. Notwithstanding anything contained herein, the aggregate liability of seller with respect to matters described in Section 7.02 shall not exceed the aggregate amount of the Initial Purchase Price plus the Additional Payment.

7.05 **Notice to the Indemnitor.** Promptly after the assertion of any claim by a third party or occurrence of any event which may give rise to a claim for indemnification from an indemnifying party ("Indemnitor") under this Article VII, an indemnified party ("Indemnitee") shall notify the Indemnitor in writing of such claim, and with respect to claims by third parties, advise the Indemnitor whether the Indemnitee intends to contest same.

7.06 **Right of Parties to Settle or Defend.** If the Indemnitee determines not to contest a claim by a third party, the Indemnitor shall have the right, at its own expense, to contest and defend against such claim. If the Indemnitee determines to contest such claim, the Indemnitor shall have the right to be represented, at its own expense, by its own counsel and accountants, its participation to be subject to the reasonable direction of the Indemnitee. In either case, the Indemnitee shall make available to the Indemnitor and its attorneys and accountants, at all reasonable times during normal business hours, all books, records, and other documents in its possession relating to such claim. The party contesting any such claim

shall be furnished all reasonable assistance in connection therewith by the other party. If the Indemnitor fails to undertake the defense of or settle or pay any such third party claim within ten (10) days after the Indemnitee has given written notice to the Indemnitor advising that the Indemnitee does not intend to contest such claim, or if the Indemnitor, after having given such notification to the Indemnitee, fails within thirty (30) days to defend, settle or pay such claim, then the Indemnitee may take any and all necessary action to dispose of such claim including, without limitation, the settlement or full payment thereof upon such terms as it shall deem appropriate, in its sole discretion, subject to Section 7.07 with respect to any proposed settlement thereof.

7.07 **Settlement Proposals.** (a) In the event the Indemnitee desires to settle any third-party claim (whether or not contested by the Indemnitor), the Indemnitee shall advise the Indemnitor in writing of the amount it proposes to pay in settlement thereof (the "Proposed Settlement"). If such Proposed Settlement is unsatisfactory to the Indemnitor, it shall have the right, at its expense, to contest such claim by giving written notice of such election to the Indemnitee within ten (10) days after the Indemnitor's receipt of the advice of the Proposed Settlement. If the Indemnitor does not deliver such written notice within ten (10) days after receipt of such advise, or if the Indemnitor, after having given such notice to the Indemnitee, fails forthwith to defend, settle or pay such claim the Indemnitee may offer the Proposed Settlement to the third party making such claim. If the Proposed Settlement is not accepted by the party making such claim, any new Proposed Settlement figure which the Indemnitee may wish to present to the party making such claim shall first be presented to the Indemnitor who shall have the right, subject to the conditions hereinabove set forth in Section 7.06, to contest such claim. In all such events, the Indemnitor shall indemnify the Indemnitee and hold it harmless against and from any and all costs of defense, payment or settlement, including reasonable attorneys' fees incurred in connection therewith.

(b) The Indemnitor may settle such third-party claim only if it has agreed to contest the claim in accordance with subsection 7.07(a) above. In the event the Indemnitor desires to settle such third-party

claim, the Indemnitor shall not without the Indemnitee's prior written consent, (i) settle or compromise such proceeding, claim or demand, or consent to the entry of any judgment which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnitee of a written release from all liability in respect of such proceeding, claim or demand or (ii) settle or compromise any such proceeding, claim or demand, in any manner that may adversely affect the Indemnitee.

7.08 **Reimbursement.** At the time the amount of any liability on the part of the Indemnitor under this Article VII is determined (which in the case of payments to third persons shall be the earlier of (i) the date of such payments or (ii) the date that a court of competent jurisdiction shall enter a final judgment, order or decree (after exhaustion of appeal rights) establishing such liability), the Indemnitor shall within thirty (30) days upon notice from the Indemnitee, pay to the Indemnitee, the amount of the indemnity claim.

ARTICLE VIII. MISCELLANEOUS.

8.01 **Entire Agreement.** This Agreement (together with the Schedules hereto and the documents referred to herein) contains, and is intended as, a complete statement of all of the terms of the arrangements between the parties with respect to the matters provided for herein, and supersedes any previous agreements and understandings between the parties with respect to those matters.

8.02 **GOVERNING LAW; JURISDICTION.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES FOR SUCH STATE). EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES OF AMERICA, IN EACH CASE LOCATED IN THE COUNTY OF NEW YORK, FOR ANY CLAIM ARISING OUT OF OR RELATING IN ANY MANNER (WHETHER IN CONTRACT, TORT OR OTHERWISE) TO THIS AGREEMENT.

8.03 **Amendment; Waiver.** No provision of this Agreement may be amended or modified except by an instrument or instruments in writing signed by the parties hereto. Any party may waive compliance by another with any of the provisions of this Agreement. No waiver of any provision hereof shall be construed as a waiver of any other provision or subsequent breach. Any waiver must be in writing. The failure of any party hereto to enforce at any time any provision hereof shall not be construed to be a waiver of such provision, nor in any way to affect the validity hereof or any part hereof or the right of any party thereafter to enforce each and every such provision.

8.04 **Notices.** All notices and other communications under this Agreement shall be in writing and shall be deemed given when delivered personally, mailed by registered mail, return receipt requested, sent by documented overnight delivery service or, to the extent receipt is confirmed, by telecopy to the parties at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to the Purchaser, to it at: Laufer Media, Inc.
18712 Hillsboro Road
Northridge, CA 91326
Attention: Scott Laufer, President
Facsimile No.: (818) 363-7335
Confirmation No.: (818) 831-1039

If to Seller, to it at: c/o PRIMEDIA Inc.
745 Fifth Avenue
New York, New York 10151
Attention: Charles McCurdy
Facsimile No.: (212) 745-0645
Confirmation No.: (212) 745-0100

with a copy to: PRIMEDIA Inc.
745 Fifth Avenue
New York, New York 10151
Attention: Christopher A. Fraser, Esq.
Facsimile No.: (212) 745-0131
Confirmation No.: (212) 745-0100

8.05 **Separability.** If any provision of this Agreement is held by any court of competent

jurisdiction to be illegal, invalid or unenforceable, such provision shall be of no force and effect, but the illegality, invalidity or unenforceability shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

8.06 **Assignment and Binding Effect.** None of the parties hereto may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the others, except that Seller may assign its rights to one or more of its affiliates and such affiliate or affiliates may assume Seller's obligations hereunder. All of the terms and provisions of this Agreement shall be binding on, and shall inure to the benefit of, the respective successors and permitted assigns of the parties.

8.07 **No Benefit to Others.** The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto and their respective successors and permitted assigns and they shall not be construed as conferring and are not intended to confer any rights on any other persons.

8.08 **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, and each party thereto may become a party hereto by executing a counterpart hereof. This Agreement and any counterpart so executed shall be deemed to be one and the same instrument. The exchange (by facsimile) of facsimile copies of executed counterparts of this Agreement shall be deemed execution and delivery thereof, provided that receipt of such facsimile is confirmed in writing. Original copies shall follow by documented overnight delivery.

8.09 Preparation of Agreement. Counsel for the parties have participated in the preparation and review of this Agreement, and have negotiated it on behalf of their respective clients. For purposes of construction, this Agreement shall be deemed to have been drafted by all parties, and no ambiguity shall be resolved against any party by virtue of his, her or its participation in the drafting of the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the date first above written.

LAUFER MEDIA, INC.

By: _____
Name:
Title:

PRIMEDIA MAGAZINES INC.

By: 
Name: Christopher A. Fraser
Title: Senior Vice President

Disclosure Schedules

Schedule A - Publications

Tiger Beat
Teen Beat
BB
Bop
16 Magazine
Teen Machine
Superteen
Teen Beat All Stars
16 Superstars

Schedule B – Contracts

1. Publication Printing Contract between Fry Communications, Inc. and Primedia Consumer Magazines, dated September 7, 2000.
2. Distribution Services Agreement between R.R. Donnelley Logistics Services, a division of R.R. Donnelley & Sons Company and Primedia, dated June 10, 2000 with addendum effective January 1, 2002 (Obligations solely with respect to the publications being sold).
3. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Mad Engine, dated August 1, 2002.
4. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and P&M Products USA, Inc., dated March 7, 2002.
5. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Paper Works, dated August 15, 2001 with a First Amendment dated November 20, 2001 (Obligations solely with respect to the publications being sold).
6. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Scott Spiegel Sales Co. Inc. and Kidz Toyz, Inc., dated July 15, 2002 with a First Amendment dated September 16, 2002.
7. License Agreement between Primedia Specialty Group, Inc. and Fun 4 All Corporation, dated May 20, 2001.
8. License Agreement between Primedia Magazines, Inc. and Cashman Photo Enterprises, Inc., dated September 1, 2000 with an Amendment dated, April 1, 2001 and a Second Amendment dated, August 31, 2002.
9. Distribution Agreement between Primedia Inc. and Worldwide Media Service, Inc., dated February 14, 2002 (Obligations solely with respect to the publications being sold).
10. Distribution Agreement between Warner Publisher Services, Inc. and Primedia, Inc., dated December 16, 1999.

Schedule C - Intellectual Property

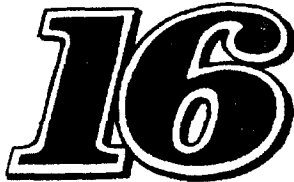
Trademarks:

COUNTRY	MARK	APPLN. NO.	APPLN. DATE	REG. NO.	REG. DATE	STATUS
Canada	TIGER BEAT	1112959	8/16/01			FILED

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

MAGAZINES, COSMETICS AND PERFUMERY, HAIR CARE PRODUCTS, SKIN CARE PRODUCTS, SUNGLASSES, EYEGLASS FRAMES, LAMPS AND LAMP SHADES, STATIONARY GOODS, PENCIL CASES, WRITING INSTRUMENTS, POSTERS, PILLOWS, PICTURE FRAMES, MIRRORS, FURNITURE, BEDDING GOODS, HAIR ACCESSORIES, WALL PAPER, WALL BORDERS, ROOM DECOR, GAMES AND PLAYTHINGS

United States	16 (STYLIZED)			1864656	11/29/94	Registered
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Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: ENTERTAINMENT MAGAZINE FOR TEENAGE AUDIENCE

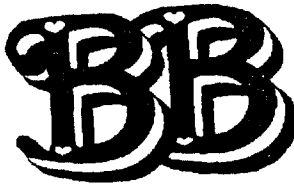
United States	16 MAGAZINE SPECIAL SUPERSTARS AND DESIGN	75/548343	9/3/98	2359358	6/20/00	Registered
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Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: MAGAZINES CONTAINING ARTICLES AND PHOTOGRAPHS OF INTEREST TO TEENAGERS

United States	BB (STYLIZED)	75/451577	3/9/98	2365629	7/11/00	Registered
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Rec. Owner:
PRIMEDIA MAGAZINES INC.
DELAWARE

16: MAGAZINES ON THE SUBJECT OF YOUTH, TEEN, AND YOUNG ADULT ENTERTAINMENT ISSUES; BUT NOT BOOKS

United States	BOP (STYLIZED)	75/451575	3/9/98	2224372	2/16/99	Registered
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Rec. Owner:

PRIMEDIA MAGAZINES INC.
DELAWARE

16: MAGAZINES ON THE SUBJECT OF YOUTH, TEEN, AND YOUNG ADULT ENTERTAINMENT ISSUES

United States SUPER TEEN 1368887 11/5/85 Registered

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: MAGAZINES ABOUT YOUNG PERFORMERS IN THE MUSIC AND ENTERTAINMENT INDUSTRIES

United States TEEN BEAT 1113590 2/20/79Registered

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: ENTERTAINMENT MAGAZINES

United States TEEN BEAT ALL STARS 75/546544 8/31/98 2348184 5/9/00 Registered

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: MAGAZINES FEATURING TEENAGE CELEBRITIES AND ARTICLES OF INTEREST TO TEENAGERS

United States TEEN MACHINE 75/543693 8/27/98 2342567 4/18/00 Registered

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: MAGAZINES FEATURING TEENAGE CELEBRITIES AND ARTICLES OF INTEREST TO TEENAGERS

United States TIGER BEAT 75/498669 6/8/98 2263039 7/20/99 Registered

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

16: PERIODIC MAGAZINES ABOUT ENTERTAINMENT PERSONALITIES

United States TIGER BEAT 76/298952 8/9/01 FILED

Rec. Owner: PRIMEDIA MAGAZINE FINANCE INC.

3: COSMETICS AND PERFUMERY; HAIR CARE PRODUCTS, NAMELY, HAIR GLITTER, SHAMPOO, HAIR CONDITIONER, HAIR SPRAY AND SPRITZ; AND SKIN CARE PRODUCTS, NAMELY, BATH SPLASH, MOISTURIZER, POWDER, SPARKLE POWDER, BATH GEL, BATH FIZZ BALLS
9: SUNGLASSES, EYEGLASS FRAMES

11: LAMPS AND LAMP SHADES

16: STATIONARY GOODS, NAMELY, SCHOOL SUPPLIES, PAPER JOURNALS, NOTEBOOKS, FOLDERS, BAGS, TOTES, BACKPACKS, FOLDERS, BOOK COVERS, WRITING PAPER, ENVELOPES, PENCIL CASES, ERASERS, DATE BOOKS AND CALCULATORS; PENCIL CASES; POSTERS AND WRITING INSTRUMENTS, NAMELY, PENS AND PENCILS

20: PILLOWS, PICTURE FRAMES, MIRRORS

24: BEDDING GOODS, NAMELY, BED BLANKETS, BED LINENS, SHEETS, COMFORTERS, BEDSPREADS, PILLOW COVERS, DUVET COVERS, THROWS, DECORATIVE PILLOWS, BEDSKIRTS, SHEETS AND SHEET SETS, DUST RUFFLES

26: HAIR ACCESSORIES, NAMELY, CLIPS, BANDS, BOWS, PINS, RIBBONS, BUCKLES, AND ORNAMENTS NOT OF PRECIOUS METALS, AND CLOTH PATCHES FOR CLOTHING, HAIR BARRETTES, HAIR TIES, HEADBANDS, SCRUNCHES AND BANDANAS

27: WALL PAPER; WALL BORDERS; ROOM DÉCOR, NAMELY, LAMPS, RUGS, DRAPES, CURTAINS, PICTURE FRAMES, STENCILS AND PAINT, AND BLINDS

28: GAMES AND PLAYTHINGS, NAMELY, COSTUMES, INTERACTIVE GAMES, TOYS, TOY VEHICLES, DOLL CLOTHES, ROLE PLAY KITS, DOLLS, BOARD GAMES AND PLUSH TOYS

United States TIGER BEAT AND DESIGN 75/514588 7/7/98 FILED



25: CLOTHING, NAMELY SWEATERS, SUITS, STOCKINGS, HOSIERY, SOCKS, SHORTS, SHIRTS, BLOUSES, TOPS, SLACKS, TROUSERS, SKIRTS, DRESSES, JACKETS, COATS, RAINCOATS, OVERALLS, SCARVES, MUFFLERS, SUN VISORS, BATHROBES, TUXEDOS, PAJAMAS, CARDIGANS, VESTS, BELTS, GLOVES, APRONS, TIGHTS, JEANS, TIES, ASCOTS, HATS, CAPS, LINGERIE, SWIMSUITS, ATHLETIC WEAR, NAMELY, LEOTARDS, SNEAKERS, HEADBANDS, WARM-UP SUITS, AND FOOTWEAR

Related to Application Serial No.: 75/514,588, Mark: Tiger Beat & Design – Kellogg Company has filed an extension of time to file a Notice of Opposition with the Patent and Trademark Office against the above identified application. This extension of time has been filed to permit Kellogg Company and Primedia Magazines, Inc. to discuss a possible settlement proposal. This extension expires February 20, 2003.

Schedule D – Licensing Agreements

1. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Mad Engine, dated August 1, 2002.
2. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and P&M Products USA, Inc., dated March 7, 2002.
3. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Paper Works, dated August 15, 2001 with a First Amendment dated November 20, 2001 (Obligations solely with respect to the publications being sold).
4. License Agreement between Primedia Magazines, Inc. and Primedia Magazine Finance, Inc. and Scott Spiegel Sales Co. Inc. and Kidz Toyz, Inc., dated July 15, 2002 with a First Amendment dated September 16, 2002.
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