

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Asset Purchase Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Stomp, Inc.		02/09/2001	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Avery Dennison Office Products Company		
Street Address:	50 Pointe Drive		
City:	Brea		
State/Country:	CALIFORNIA		
Postal Code:	92821		
Entity Type:	CORPORATION: NEVADA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2684314	CLICK'N DESIGN	
CORRESPONDENCE DATA			
Fax Number:	(626)577-8800		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(626)795-9900		
Email:	pto@cph.com		
Correspondent Name:	CHRISTIE, PARKER & HALE, LLP		
Address Line 1:	P. O. Box 7068		
Address Line 4:	Pasadena, CALIFORNIA 91109-7068		
ATTORNEY DOCKET NUMBER:	52385/A23		
NAME OF SUBMITTER:	Gary J. Nelson		
Signature:	/Gary J. Nelson/		
Date:	01/23/2009		

CH \$40.00 2684314

Total Attachments: 28

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ASSET PURCHASE AGREEMENT

AVERY DENNISON OFFICE PRODUCTS COMPANY

and

STOMP, INC.

February 9, 2001

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement, dated as of February 9, 2001, is by and between Avery Dennison Office Products Company, a Nevada corporation ("Buyer"), and Stomp, Inc., a California corporation ("Seller").

RECITALS

A. Seller owns certain assets which it uses in the conduct of its business of manufacturing and selling removable electronic media labels and label applicators and related software (such business as it is conducted as of the Closing Date being referred to herein as the "Business").

B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain assets of the Business subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. As used herein, the terms below shall have the following meanings:

"Asset List" shall mean the unaudited listing of the Purchased Assets as of February 9, 2001 attached hereto as Schedule 1.1A.

"Asset List Date" shall mean February 9, 2001.

"Books and Records" shall mean all records pertaining to the Business and the customers and suppliers of the Business.

"Closing Date" shall mean a date on or before February 9, 2001 on which the closing of the transactions contemplated by this Agreement occurs, or such other date as Buyer and Seller shall mutually agree.

"Contracts" shall mean all of Seller's agreements, contracts, open purchase orders (as of the Closing Date), licenses, leases, understandings, arrangements, or commitments relating to the Business, written or oral, which are described in Schedule 4.5.

"Contract Rights" shall mean all of Seller's rights under those certain Contracts listed on Schedule 1.1B, together with all obligations under such Contracts, but only to the extent they arise after the Closing Date.

"Customer List" shall mean the list of all customers of the Business who have purchased products from Seller from January 1, 1998 to the Closing Date.

"Disclosure Schedule" shall mean the schedule attached hereto which sets forth the exceptions to the representations and warranties contained in Article IV hereof and certain other information called for by Article IV hereof and other provisions of this Agreement.

"Encumbrances" shall mean any claim, lien, pledge, option, charge, easement, security interest, right-of-way, encumbrance or other right of third parties.

"Environmental Conditions" means the introduction into the environment of any pollution, including, without limitation, any contaminant, irritant or pollutant or other Hazardous Substance (whether or not upon any of Seller's facilities or former facilities or other property and whether or not such pollution constituted at the time thereof a violation of any Environmental Law as a result of any Release of any kind whatsoever of any Hazardous Substance) as a result of which Seller has or may become liable to any person or by reason of which any facility, former facility or any of the Purchased Assets may suffer or be subjected to any lien.

"Environmental Laws" shall mean all Regulations which regulate or relate to the protection or clean-up of the environment, the use, treatment, storage, transportation, generation, manufacture, processing, distribution, handling or disposal of, or emission, discharge or other release or threatened release of, Hazardous Substances or otherwise dangerous substances, wastes, pollution or materials (whether gas, liquid or solid), the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources, or the health and safety of persons or property, including without limitation protection of the health and safety of employees. Environmental Laws shall include, without limitation, the Federal Insecticide, Fungicide, Rodenticide Act, Resource Conservation & Recovery Act, Clean Water Act, Safe Drinking Water Act, Atomic Energy Act, Occupational Safety and Health Act, Toxic Substances Control Act, Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act, Emergency Planning and Community Right-to-Know Act, Hazardous Materials Transportation Act and all analogous or related federal, state or local law, each as amended.

"Equipment" shall mean the machinery and equipment used in the Business owned by Seller and set forth on Schedule 1.1C.

"Hazardous Substance" shall mean any pollutant, contaminant, chemical, waste and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical or chemical compound or hazardous substance, material or waste, whether solid, liquid or gas, including, without limitation, any quantity of asbestos in any form, urea formaldehyde, PCB's, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or derivatives, radioactive substance or material, pesticide waste waters, sludges, slag and any other substance, material or waste that is subject to regulation, control or remediation under any Environmental Laws.

"Inventory" shall mean all of Seller's (a) inventories, and (b) raw materials, work in process, spare parts, finished products, and wrapping, supply and packaging items, except for any of such items relating to Seller's "Click 'N Burn" software.

"Proprietary Rights" shall mean all of the copyrights and copyright registrations, patents, trade secrets, trade names, trademarks, domain names, together with the goodwill of the Business associated with those trade names, trademarks and domain names, inventions, processes, designs, formulas, know-how and other industrial and intellectual property rights owned or licensed by Seller and used in the Business, including, without limitation, the proprietary rights described on Schedule 4.13, but excluding any of such rights relating to Seller's "Click'N Burn" and "Click'N Design software.

"Purchased Assets" shall mean all of Seller's right, title and interest in and to the following properties, assets and rights owned by Seller or in which Seller has any interest and constituting, or used principally in connection with, the Business:

- (a) Equipment;
- (b) all Inventory;
- (c) the Customer List; provided that Seller shall continue to have the right to use the Customer List after the Closing Date to sell products to customers on the Customer List, as long as such sales would not breach the provisions of this Agreement, including, without limitation, Article VIII;
- (d) all Contract Rights;
- (e) all Books and Records; and
- (f) all Proprietary Rights.

"Regulations" shall mean any laws, statutes, ordinances, regulations, rules, notice requirements, court decisions, agency guidelines, principles of law and orders of any government and any governmental department or agency, including without limitation Environmental Laws, energy, motor vehicle safety, public utility, zoning, building and health codes, occupational

safety and health and laws respecting employment practices, employee documentation, terms and conditions of employment and wages and hours.

“Release” shall mean and include any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment or the workplace of any Hazardous Substance, and otherwise as defined in any Environmental Law.

“Representative” shall mean any officer, director, principal, attorney, agent, employee or other representative.

“Services Agreement” shall mean the Services Agreement, dated as of the Closing Date, between Buyer and Seller, substantially in the form attached hereto as Exhibit A.

“Shareholders” shall mean those certain shareholders of Seller who are signatories to this Agreement, namely Michael Hummell, Ken Holowatch, Joe Heavern, Joe Pearce, Brian Fleenor and Judy Bell.

1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
Business	Recital A
Closing	3.1
Damages	9.2
GAAP	4.4
Holdback Amount	2.2(b)
Purchase Price	2.2(a)
Tax	4.14

ARTICLE II

PURCHASE AND SALE OF ASSETS

2.1 Transfer of Assets. On the Closing Date, Seller will sell, convey, transfer, assign, and deliver to Buyer, and Buyer will acquire from Seller, the Purchased Assets.

2.2 Purchase Price. Buyer shall pay or deliver to Seller for the sale, transfer, assignment, conveyance and delivery of the Purchased Assets:

(a) On the Closing Date, Twenty Million Two Hundred Fifty Thousand Dollars (\$20,250,000), representing the purchase price for the Purchased Assets of Twenty-Two Million Five Hundred Thousand Dollars (\$22,500,000) (the “Purchase Price”) less the Holdback Amount, which amount shall be paid by wire transfer of immediately available

funds to Seller's account at Comerica Bank of California, 611 S. Anton Blvd., Costa Mesa, California, Routing No. 121137522, Account Number 1891135327, Swift Code MNBDUS33; provided, however, Seller shall have \$525,147.45 of the Purchase Price paid directly by wire transfer of immediately available funds to Camel Financial, Inc.'s bank account at Pacific Century Bank, 2633 Cherry Avenue, Signal Hill, California 90806, Routing No. 122228812, Account Number 9910201772 in order to release the Encumbrance on the Purchased Assets in favor of Camel Financial, Inc. simultaneously with the Closing.

(b) The "Holdback Amount" shall be an amount equal to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000), which Buyer, at the Closing, shall retain pending the determination of Seller's obligations, if any, as set forth in Section 9.2. The Holdback Amount will be repaid in accordance with Section 9.3.

2.3 Closing Costs: Transfer Taxes. The parties shall split equally any documentary and transfer tax and any sales, use or other taxes (other than any federal, state or local income taxes) imposed by reason of or in connection with the transfers of Purchased Assets provided hereunder and any deficiency, interest or penalty asserted with respect thereto. The parties shall split equally the fees and costs of recording or filing all applicable conveyancing instruments described in Section 3.2(a).

2.4 Asset Acquisition Statements. The purchase price described in Section 2.2 shall be allocated among the Purchased Assets in the manner required by Section 1060 of the Internal Revenue Code of 1986, as amended as of the date hereof, as set forth on Exhibit B attached hereto. Seller and Buyer agree to file on a timely basis with their federal income tax returns the initial asset acquisition statement and any supplemental statements on Internal Revenue Service Form 8594 required by Temporary Treasury Regulation Section 1.1060-1T.

2.5 No Assumption of Liabilities. Buyer shall not assume, pay, perform, defend or discharge any, and Seller shall solely retain, pay, perform, defend and discharge all, of Seller's liabilities and obligations of any and every kind whatsoever, whether disclosed, undisclosed, direct, indirect, absolute, contingent, secured, unsecured, accrued or otherwise, whether known or unknown, whether arising before or after the Closing Date, except for the Contract Rights which shall be expressly assumed by Buyer.

ARTICLE III

CLOSING

3.1 Closing. The Closing of the transactions contemplated herein (the "Closing") shall be held at 8:00 a.m. local time on the Closing Date at the offices of Buyer in Pasadena, California, unless the parties hereto otherwise agree.

3.2 Conveyances at Closing.

(a) Instruments and Possession. To effect the transfer referred to in

Section 2.1 hereof, Seller will, on the Closing Date, execute and deliver to Buyer:

(i) the bill of sale substantially in the form attached hereto as Exhibit C, conveying in the aggregate all of Seller's owned personal property included in the Purchased Assets;

(ii) assignments of all Proprietary Rights in recordable form to the extent necessary to assign such rights;

(iii) assignments of all Contract Rights; and

(iv) such other instruments as shall be reasonably requested by Buyer to vest in Buyer title in and to the Purchased Assets in accordance with the provisions hereof.

(b) Assumption Document. Upon the terms and subject to the conditions contained herein, at the Closing Buyer shall deliver to Seller an instrument of assumption evidencing Buyer's assumption, pursuant to Section 2.5, of the Contract Rights.

(c) Form of Instruments. All of the foregoing instruments shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Buyer and Seller.

(d) Services Agreement. Buyer and Seller shall deliver executed copies of the Services Agreement.

(e) Consents. Seller shall deliver all third party consents required for the valid transfer of the Purchased Assets as contemplated by this Agreement.

3.3 Other Deliveries at Closing. In addition to the foregoing matters, at the Closing Buyer and Seller shall deliver the certificates and other matters described in Articles VI and VII.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth on the Disclosure Schedule, Seller hereby represents and warrants to Buyer as follows:

4.1 Organization of Seller. Seller is duly organized, validly existing and in good standing under the laws of the State of California, and has full corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets. Seller is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which such qualification is necessary under the applicable

law as a result of the conduct of its business or the ownership of its properties and where the failure to be so qualified would have a material adverse effect on the Business.

4.2 Authorization. Seller has all necessary corporate power and authority and has taken all corporate action necessary to enter into this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Seller and is a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

4.3 Absence of Certain Changes or Events. Except as contemplated by this Agreement, since October 31, 2000:

(a) Seller has conducted the Business only in the ordinary and usual course, consistent with past practices, except for marketing commitments to customers which have been fully satisfied by Seller prior to the Closing Date or are listed on Schedule 1.1B;

(b) there have been no material adverse changes in the condition (financial or otherwise), business, prospects, operations, net worth, assets, properties, liabilities (fixed or contingent), obligations or commitments of the Business;

(c) Seller has not subjected, nor has it committed itself to subject, the Business or any of the Purchased Assets to any Encumbrance, except in the ordinary and usual course of business; and

(d) Seller has not disposed of, or agreed to dispose of, any of the Purchased Assets, except for sales of Inventory which have been (i) in the ordinary course of business, (ii) consistent with past practices, and (iii) at market prices and terms, nor has Seller leased or licensed to others (including officers and employees of Seller), or agreed so to lease or license, any of the Purchased Assets.

4.4 Title to and Conditions of Assets.

(a) Seller has good and marketable title to the Purchased Assets free and clear of all Encumbrances.

(b) Inventory. All items of Inventory of the Business are of a type and quality which will be useable and saleable in the ordinary course of business as heretofore conducted by Seller. None of the Inventory is unusable, damaged, slow moving, or unsalable in the ordinary course of business except to the extent of the reserves reflected on the Asset List, which are adequate under generally accepted accounting principles ("GAAP"). The Inventory is not consigned or located in public warehouses, except as set forth in the Disclosure Schedule.

(c) Equipment. The Equipment is in good operating condition and repair, normal wear and tear excepted, is usable in the ordinary course of business, and is in the aggregate adequate to operate the Business as it is presently operated. To the actual knowledge of Seller, the Equipment conforms in all material respects to all applicable Regulations.

(d) Customers, Distributors and Suppliers. Schedule 4.4(d) contains (i) the name, address, principal contact, and 2000 sales of each customer, distributor, agent and representative of the Business who has purchased products from Seller since January 1, 1998 and (ii) the largest five suppliers to the Business, showing the approximate total purchases in dollars by Seller from each such supplier during 2000. Since October 31, 2000, there has been no adverse change in the business relationship of Seller with any customer, distributor or supplier named on Schedule 4.4(d). Seller has not received any communication from any customer, distributor or supplier named on Schedule 4.4(d) of any intention to terminate or materially reduce purchases from or supplies to Seller.

4.5 Contracts and Commitments. Schedule 4.5 lists (i) all Contracts that involve, in any instance, an obligation or commitment on the part of Seller, or a benefit to Seller, in an amount greater than Five Thousand Dollars (\$5,000) or the breach or termination of which would have a material adverse effect on the Business and (ii) all distribution, agency, customer and supply agreements. All Contracts are in full force and effect and are valid and enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles. There are no Contracts which have been entered into outside the ordinary course of the Business that are not set forth in the Disclosure Schedule, and there is not, under any Contract, any default or event which, with notice or the lapse of time, or both, would constitute a default by Seller or, to the best of Seller's knowledge, any other party in any material respect.

4.6 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (a) a violation of or a conflict with any provision of the Articles of Incorporation or Bylaws of Seller, (b) a breach of, or a default under, any term or provision of any mortgage, bond, indenture or Contract to which Seller is a party or by which Seller or any of its properties or assets may be bound or materially affected, (c) a violation by Seller of any Regulation, order, judgment, writ, injunction, decree or award, which violation would have a material adverse effect on the Business or Seller's ability to consummate the transactions contemplated hereby, or (d) an imposition of any Encumbrance, restriction or charge on the Business or on any of the Purchased Assets.

4.7 Consents and Approvals. No consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority, or any other person or entity, is required to be made or obtained by Seller that has not been made or obtained in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

4.8 Asset List. Seller has heretofore delivered to Buyer the Asset List. The Asset List has been prepared in accordance with the Books and Records of Seller and the Asset List line items have been prepared in accordance with GAAP, as applicable. The Asset List presents fairly the Purchased Assets.

4.9 Product Warranties and Liabilities. True and complete copies of all standard written warranties provided generally to customers of the Business during the past three (3) years have previously been delivered to Buyer or its Representatives. Seller has no actual knowledge (without a duty to investigate) and has received no notice of any defect in workmanship or materials with respect to any products of the Business which might give rise to a product warranty or product liability claim in excess of One Thousand Dollars (\$1,000) subsequent to the Closing Date.

4.10. Compliance with Law. To the best of Seller's knowledge, Seller and the conduct of the Business are in compliance in all material respects with all applicable Regulations (other than Environmental Laws) and court orders. Seller has not received any notice to the effect that, or otherwise been advised that, it is not in compliance with any such Regulations (other than Environmental Laws) and court orders, and Seller is not aware of any existing circumstances which are likely to result in violations of the foregoing.

4.11 No Brokers. Neither Seller nor any affiliate of Seller has entered into or will enter into any contract, agreement, arrangement or understanding with any person or firm which will result in the obligation of Buyer to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

4.12 No Other Agreements to Sell the Purchased Assets. Seller does not have any legal obligation, absolute or contingent, to any other person or firm to sell the Purchased Assets, except for sales of Inventory in the ordinary course of business, or to effect any merger, consolidation or other reorganization of Seller or to enter into any agreement with respect thereto.

4.13 Proprietary Rights. Schedule 4.13 lists the number, owner and title of all copyright registrations, patents, patent applications, invention disclosures, domain names, domain name applications, trademarks and applications for trademark registrations owned by Seller, or licensed by Seller and used in the Business. Seller is the sole and exclusive owner of the Proprietary Rights, free and clear of any Encumbrances or, to Seller's knowledge, rights of third parties. None of the Proprietary Rights has been held or stipulated to be invalid in any litigation of which Seller has knowledge and which has been concluded, and the validity of none of the Proprietary Rights has been challenged by any third party or questioned in any litigation currently pending or, to Seller's knowledge, threatened. Seller, the inventors of Seller's patents, and, to the best knowledge of Seller, Seller's patent counsel know of no prior art which would render any of Seller's patents or patent applications invalid or unenforceable, nor has any such prior art been withheld from the United States Patent and Trademark Office during the prosecution of any of Seller's patents. Seller is not conducting the operations of the Business under any misappropriated trade secret, and, to Seller's knowledge, no third party has

misappropriated any trade secret of Seller relating to the Business. In conducting the Business, Seller has not infringed, and is not infringing, any proprietary rights of any third party, and to Seller's knowledge, no third party has infringed or is infringing the Proprietary Rights. The Proprietary Rights are in the aggregate adequate to carry on the Business as presently being conducted.

4.14 Tax Matters. Seller and any predecessor of Seller have duly and timely filed (including extensions) all reports and returns in respect of taxes required to be filed by them on or prior to the date hereof, including all federal, state, local and foreign tax returns and reports. In addition, any affiliated group of corporations of which Seller is or has been a member has duly and timely filed (including extensions) all reports and returns in respect to federal income taxes required to be filed by it on or prior to the date hereof. All taxes shown to be payable on such returns or reports, or on subsequent assessments with respect thereto have been paid on a timely basis (other than taxes or assessments being contested in good faith).

For the purpose of this Agreement, any federal, state, local or foreign income, sales, use, transfer, payroll, personal property, occupancy or other tax, levy, impost, fee, imposition, assessment or similar charge, together with any related addition to tax, interest or penalty thereon, is referred to as a "tax" or as "taxes".

4.15 Insurance. Schedule 4.15 lists all insurance policies, and summaries of the coverage thereof, currently in effect with respect to the Business (excluding any directors' and officers' and fiduciary liability policies), which policies represent adequate coverage on an occurrence basis for the Business, and are current in all payments and are in full force and effect.

4.16 Litigation. There are no actions, claims, suits litigation, proceedings, labor disputes, arbitral actions, governmental audits, inquiries, criminal prosecutions, investigations or unfair labor practice charges or complaints pending, or the best of Seller's knowledge, threatened or anticipated against, related to or affecting Seller, the Business or the Purchased Assets (including with respect to Environmental Laws). Seller is not in default with respect to or subject to any court order, and there are no unsatisfied judgments against Seller, the Business or the Purchased Assets.

4.17 Compliance With Environmental Laws.

(a) Facilities. Seller's facilities are, and at all times have been, and all former facilities were at all times when owned, leased or operated by Seller, owned, leased and operated in compliance with all Environmental Laws and in a manner that will not give rise to any liability under any Environmental Laws. Without limiting the foregoing, (i) there is not and has not been any Hazardous Substance used, generated, treated, stored, transported, disposed of, handled or otherwise existing on, under, about or emanating from any facility or any former facility, except for quantities of any such Hazardous Substances stored or otherwise held on, under or about any such facility in full compliance with all Environmental Laws and necessary for the operation of the Business, (ii) Seller has at all times used, generated, treated, stored, transported, disposed of or otherwise handled its Hazardous Substances in compliance with all

Environmental Laws and in a manner that will not result in liability of Seller under any Environmental Law, (iii) there is not now and has not been at any time in the past any underground or above-ground storage tank or pipeline at any facility or former facility where the installation, use, maintenance, repair, testing, closure or removal of such tank or pipeline was not in compliance with all Environmental Laws and there has been no Release from or rupture of any such tank or pipeline, including without limitation any Release from or in connection with the filling or emptying of such tank, (iv) Seller does not manufacture or distribute any product in the State of California which requires the warning mandated by the California Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), and (v) Seller has not made and has never been required to make any filing under the New Jersey Industrial Site Recovery Act or any other state law of similar effect.

(b) Notice of Violation. Seller has not received any notice of alleged, actual or potential responsibility for, or any inquiry or investigation regarding, (i) any Release or threatened Release of any Hazardous Substance at any location, whether at its facilities, its former facilities or otherwise or (ii) an alleged violation of or non-compliance with the conditions of any permit required under any Environmental Law or the provisions of any Environmental Law. Seller has received no notice of any other claim, demand or action by any individual or entity alleging any actual or threatened injury or damage to any person, property, natural resource or the environment arising from or relating to any Release or threatened Release of any Hazardous Substances at, on, under, in, to or from any facilities or former facilities, or in connection with any operations or activities of Seller.

(c) Environmental Conditions. There are no present or past Environmental Conditions in any way relating to the Business or at any of its facilities or former facilities.

(d) Environmental Audits or Assessments. True, complete and correct copies of the written reports, and all parts thereof, including any drafts of such reports if such drafts are in the possession or control of Seller, of all environmental audits or assessments which have been conducted at any facility or former facility within the past five years, either by Seller or any attorney, environmental consultant or engineer engaged for such purpose, have been delivered to Buyer and a list of all such reports, audits and assessments and any other similar report, audit or assessment of which Seller has knowledge is included on the Disclosure Schedule.

(e) Indemnification Agreements. Seller is not a party, whether as a direct signatory or as successor, assign or third party beneficiary, or otherwise bound, to any lease or other contract (excluding insurance policies disclosed on the Disclosure Schedule) under which Seller is obligated by or entitled to the benefits of, directly or indirectly, any representation, warranty, indemnification, covenant, restriction or other undertaking concerning environmental conditions.

(f) Releases or Waivers. Seller has not released any other person from any claim under any Environmental Law or waived any rights concerning any Environmental Condition.

(g) Notices, Warnings and Records. Seller has given all notices and warnings, made all reports, and has kept and maintained all records by and in compliance with all Environmental Laws.

4.18 Full Disclosure. No statement, representation or warranty by Seller contained in this Agreement or any certificate or other instrument furnished or to be furnished to Buyer at the Closing contains any untrue statement of a material fact, or omits to state any material fact necessary to made the statements contained herein or therein not misleading.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization of Buyer. Buyer is duly organized, validly existing and in good standing under the laws of the State of Nevada and has full corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

5.2 Authorization. Buyer has all necessary corporate power and authority and has taken all corporate action necessary to enter into this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder. This Agreement has been duly executed and delivered by Buyer and is a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Conflict or Violation. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result in (a) a violation of or a conflict with any provision of the Certificate of Incorporation or Bylaws of Buyer, (b) a breach of, or a default under, any term or provision of any mortgage, bond, indenture or material agreement to which Buyer is a party or by which Buyer or any of its property or assets may be bound or materially affected or (c) a violation by Buyer of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award, which violation would have a material adverse effect on the business of Buyer or its ability to consummate the transactions contemplated hereby.

5.4 Consents and Approvals. No consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority, or any other person or entity, is required to be made or obtained by Buyer that has not been obtained or made in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

5.5 No Brokers. Neither Buyer nor any affiliate of Buyer has entered into or will enter into any contract, agreement, arrangement or understanding with any person or firm which will result in the obligation of Seller to pay any finder's fee, brokerage commission or similar payment in connection with the transactions contemplated hereby.

ARTICLE VI

CONDITIONS TO SELLER'S OBLIGATIONS

The obligations of Seller to consummate the transactions provided for hereby are subject, in the discretion of Seller, to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

6.1 Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, and Buyer shall have performed all agreements and covenants required hereby to be performed by it prior to or at the Closing Date.

6.2 Consents. All consents, approvals and waivers from governmental authorities and other parties necessary to permit Buyer to purchase the Purchased Assets from Seller as contemplated hereby shall have been obtained.

6.3 No Governmental Proceedings or Litigation. No action, suit or proceeding before any court or governmental body shall have been instituted (and be pending) by any governmental authority to restrain or prohibit this Agreement or the consummation of the transactions contemplated hereby. No preliminary or permanent injunction or other order issued by any federal or state court of competent jurisdiction preventing consummation of the transactions contemplated hereunder shall be in effect.

6.4 Certificates. Buyer will furnish Seller with such certificates of its officers and others to evidence compliance with the conditions set forth in this Article VI as may be reasonably requested by Seller.

6.5 Corporate Documents. Seller shall have received resolutions adopted by the board of directors of Buyer approving this Agreement and the transactions contemplated hereby, certified by Buyer's corporate secretary.

ARTICLE VII

CONDITIONS TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate the transactions provided for hereby are subject, in the discretion of Buyer, to the satisfaction, on or prior to the Closing Date, of each of the following conditions:

7.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date, and Seller shall have performed all agreements and covenants required hereby to be performed by it prior to or at the Closing Date.

7.2 Consents. All consents, approvals and waivers from third parties and governmental authorities and other parties necessary to permit Seller to transfer the Purchased Assets to Buyer as contemplated hereby, and in the aggregate sufficient and adequate to carry on the Business as presently being conducted, shall have been obtained.

7.3 No Governmental Proceedings or Litigation. No action, suit or proceeding before any court or by any governmental body shall have been instituted (and be pending) by any governmental authority to restrain or prohibit this Agreement or the consummation of the transactions contemplated hereby. No preliminary or permanent injunction or other order issued by any federal or state court of competent jurisdiction preventing consummation of the transactions contemplated hereunder shall be in effect.

7.4 Certificates. Seller will furnish Buyer with such certificates of its officers and others to evidence compliance with the conditions set forth in this Article VII as may be reasonably requested by Buyer.

7.5 Corporate Documents. Buyer shall have received from Seller resolutions adopted by the board of directors and shareholders of Seller approving this Agreement and the transactions contemplated hereby, certified by Seller's corporate secretary.

7.6 Repayment of Debt. Seller shall provide Buyer with evidence satisfactory to Buyer that Seller has repaid all of its indebtedness to third parties (other than trade accounts payable, accrued rebates, accrued sales representative or employee commissions, accrued royalties, amounts due employees, including accrued vacation, accrued customer debits and other accruals, all of which amounts will remain the responsibility of Seller after the Closing), including without limitation, to Camel Financial, Inc., Comerica Bank of California, and American Packaging Capital, Inc., together with a release of all Encumbrances on the Purchased Assets.

7.7 Execution of Settlement Agreement and Mutual General Release. Seller shall provide to Buyer a copy of the Settlement Agreement and Mutual General Release among Seller, Neato LLC, Hewlett Packard Co., Fellowes Manufacturing Co., and Adaptec, Inc., in substantially the form attached hereto as Exhibit E, executed by each of the parties thereto.

7.8 Purchase of Proprietary Rights from Rocky Mountain Traders, Ltd. ("RMT"). Seller shall have obtained from RMT a paid-up, royalty free, irrevocable, worldwide, assignable license under RMT's proprietary rights relating to removable electronic media label applicators, including, without limitation, the patents and patent applications listed on Exhibit F attached hereto, pursuant to an agreement substantially in the form attached hereto as Exhibit G.

ARTICLE VIII

SELLER'S COVENANT NOT TO COMPETE

As an inducement for Buyer to enter into this Agreement, Seller agrees that for a period of five (5) years after the Closing, neither Seller nor any of its Shareholders shall, without Buyer's prior written consent, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be connected as a partner, consultant or otherwise with, any profit or non-profit business or organization in any part of the world, which competes with the Business as conducted on the Closing Date, including, without limitation, selling removable electronic media labels and label applicators with Seller's software. Seller agrees to be responsible for breaches of this covenant by any of its shareholders, officers or directors. In the event the agreement in this Article VIII shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it shall be interpreted to extend only over the maximum period of time for which it may be enforceable and/or over the maximum geographical area as to which it may be enforceable and/or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

Seller acknowledges that a breach of the covenant contained in this Article VIII will cause irreparable damage to Buyer, the exact amount of which will be difficult to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Seller agrees that if Seller breaches the covenant contained in this Article VIII, in addition to any other remedy which may be available at law or in equity, Buyer shall be entitled to specific performance and injunctive relief, without posting bond or other security.

Notwithstanding the foregoing covenant not to compete, (i) for a period from the Closing Date through April 9, 2001, Seller shall be entitled to purchase from Buyer, and Buyer shall be obligated to sell to Seller at a price of \$2.30 each, a package of one (1) CD Stomper® label applicator and up to five (5) sheets of CD labels, (ii) for a period from the Closing Date through June 9, 2001, Seller shall be entitled to continue to bundle such packages with Seller's "Click 'N Burn" software for sale to Seller's customers, and (iii) Seller shall have the right to sell or license its "Click 'N Design" software to anyone for any purpose, provided that Seller shall not have the right to sell or license its "Click 'N Design" software (a) in a bundle with any removable electronic media labels or label applicators, or (b) to Neato LLC; Fellowes Manufacturing Co.; Acco; Hewlett Packard Co.; Microvision Development, Inc.; Rocky Mountain Traders, Ltd.; Memorex; NCR, Continental Datalabel, or any of their respective affiliates (collectively, the "Prohibited Companies"); provided further that Seller shall have the right to sell or license its "Click 'N Design" software in a bundle with removable electronic media labels or label applicators to printer manufacturers other than the Prohibited Companies.

ARTICLE IX

ACTIONS BY PARTIES AFTER THE CLOSING

9.1 Survival of Representations, Etc. All statements contained in the Disclosure Schedule, any attachment or Exhibit to this Agreement, or any certificate or instrument of conveyance delivered by or on behalf of the parties pursuant to this Agreement shall be deemed to be representations and warranties by the parties hereunder. The representations, warranties, covenants and agreements of Seller and Buyer contained herein shall survive the execution and delivery hereof and the Closing hereunder. The representations and warranties of Seller and Buyer, except for the representations and warranties of Seller contained in Sections 4.11, 4.14 and 4.17 and of Buyer contained in Section 5.5, shall terminate and expire three (3) years after the Closing Date, and thereafter no claim may be asserted on account of an alleged breach thereof. The representations and warranties of Seller contained in Sections 4.11, 4.14 and 4.17, and of Buyer contained in Section 5.5, shall survive the Closing until such time as any liability arising from a breach of the representations therein contained are barred by all applicable statutes of limitations, including waivers and extensions thereof.

Each party hereto shall be entitled to rely upon the representations and warranties of the other party set forth in this Agreement. The termination of the representations and warranties provided herein shall not affect the rights of a party in respect of any claim made by such party in a writing received by the other party prior to the expiration of the applicable survival period provided herein.

9.2 Indemnifications.

(a) By Seller. Seller shall indemnify, save and hold harmless Buyer, its affiliates and subsidiaries, and its and their respective Representatives, from and against any and all costs, losses (including without limitation diminution in value), Taxes, liabilities, obligations, damages, lawsuits, deficiencies, claims, demands, and expenses (whether or not arising out of third-party claims), including without limitation interest, penalties, costs of mitigation, losses in connection with any Environmental Law (including without limitation any clean-up or remedial action), lost profits and other losses resulting from any shutdown or curtailment of operations, damages to the environment, attorneys' fees and all amounts paid in investigation, defense or settlement of any of the foregoing (herein, "Damages"), incurred in connection with, arising out of, resulting from or incident to (i) any breach of any representation or warranty or the inaccuracy of any representation, made by Seller in or pursuant to this Agreement, except as provided in the Disclosure Schedule; (ii) any breach of any covenant or agreement made by Seller in or pursuant to this Agreement; (iii) any liability, other than the Contract Rights or (iv) any liability imposed upon Buyer by reason of Buyer's status as transferee of the Business or the Purchased Assets.

The Seller's indemnification obligation arising under this Section 9.2 shall not apply to any claim for Damages until the aggregate of all such claims totals Three Hundred Thousand (\$300,000) (the "Aggregate Threshold"), in which event Seller's indemnity obligation shall apply only to the excess over the Aggregate Threshold; provided, however, that even if the

Aggregate Threshold has not been reached, Seller shall be obligated to indemnify Buyer for any individual claim for Damages in excess of One Hundred Thousand (\$100,000), in which event Seller's indemnity obligation shall apply only to the excess over One Hundred Thousand (\$100,000). All such claims made during the relevant survival period shall be counted in determining whether the Aggregate Threshold has been achieved. Seller's obligation to indemnify Buyer, and Buyer's obligation to indemnify Seller, shall not limit any other rights, including without limitation rights of contribution which either party may have under statute or common law. The limitations on Seller's indemnity obligations set forth in this Section 9.2(a) shall not apply to Seller's indemnity obligations relating to breaches of the representations and warranties contained in Sections 4.11, 4.14 and 4.17.

The term "Damages" as used in this Section 9.2 is not limited to matters asserted by third parties against Seller or Buyer, but includes Damages incurred or sustained by Seller or Buyer in the absence of third party claims. Payments by Buyer of amounts for which Buyer is indemnified hereunder, and payments by Seller of amounts for which Seller is indemnified, shall not be a condition precedent to recovery. Seller's obligation to indemnify Buyer, and Buyer's obligation to indemnify Seller, shall not limit any other rights, including without limitation rights of contribution which either party may have under statute or common law.

(b) By Buyer. Buyer shall indemnify and save and hold harmless Seller, its affiliates and subsidiaries, and its and their respective Representatives from and against any and all Damages incurred in connection with or arising out of or resulting from or incident to (i) any breach of any representation or warranty or the inaccuracy of any representation, made by Buyer in or pursuant to this Agreement; (ii) any breach of any covenant or agreement made by Buyer in or pursuant to this Agreement; or (iii) from and after the Closing, any Contract Right.

(c) Defense of Claims. If a claim for Damages is to be made by a party entitled to indemnification hereunder against the indemnifying party, the party entitled to such indemnification shall give written notice to the indemnifying party as soon as practical after the party entitled to indemnification becomes aware of any fact, condition or event which may give rise to Damages for which indemnification may be sought under this Section 9.2. If any lawsuit or enforcement action is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party as promptly as practicable (and in any event within fifteen (15) days after the service of the citation or summons). The failure of any indemnified party to give timely notice hereunder shall not affect rights to indemnification hereunder, except to the extent that the indemnifying party demonstrates actual damage caused by such failure. After such notice, if the indemnifying party shall acknowledge in writing to the indemnified party that the indemnifying party may be obligated under the terms of its indemnity hereunder in connection with such lawsuit or action, then the indemnifying party shall be entitled, if it so elects at its own cost, risk and expense, (i) to take control of the defense and investigation of such lawsuit or action, (ii) to employ and engage attorneys of its own choice to handle and defend the same unless the named parties to such action or proceeding include both the indemnifying party and the indemnified party and the indemnified party has been advised in writing by counsel that there may be one or more legal defenses available to such indemnified

party that are different from or additional to those available to the indemnifying party, in which event the indemnified party shall be entitled, at the indemnified party's cost, risk and expense, to separate counsel of its own choosing, and (iii) to compromise or settle such claim, which compromise or settlement shall be made only with the written consent of the indemnified party, such consent not to be unreasonably withheld. If the indemnifying party fails to assume the defense of such claim within fifteen (15) calendar days after receipt of the notice of a claim, the indemnified party against which such claim has been asserted will (upon delivering notice to such effect to the indemnifying party) have the right to undertake, at the indemnifying party's cost and expense, the defense, compromise or settlement of such claim on behalf of and for the account and risk of the indemnifying party; provided, however, that such claim shall not be compromised or settled without the written consent of the indemnifying party, which consent shall not be unreasonably withheld. In the event the indemnified party assumes the defense of the claim, the indemnified party will keep the indemnifying party reasonably informed of the progress of any such defense, compromise or settlement. The indemnifying party shall be liable for any settlement of any action effected pursuant to and in accordance with this Section 9.2 and for any final judgment (subject to any right of appeal), and the indemnifying party agrees to indemnify and hold harmless an indemnified party from and against any Damages by reason of such settlement or judgment.

(d) Brokers and Finders. Pursuant to the provisions of this Section 9.2, (i) Buyer shall indemnify, hold harmless and defend Seller from the payment of any and all broker's and finder's expenses, commissions, fees or other forms of compensation which may be due or payable in connection with the transactions contemplated by this Agreement, or may have been earned by any third party acting on behalf of Buyer in connection with the negotiation and execution hereof and the consummation of the transactions contemplated hereby, and any Damages related thereto, and (ii) Seller shall indemnify, hold harmless and defend Buyer from the payment of any and all broker's and finder's expenses, commissions, fees or other forms of compensation which may be due or payable in connection with the transactions contemplated by this Agreement, or may have been earned by any third party acting on behalf of Seller in connection with the negotiation and execution hereof and the consummation of the transactions contemplated hereby, and any Damages related thereto.

(e) Buyer's Right of Offset. Anything in this Agreement to the contrary notwithstanding, Buyer may withhold and set off against the Holdback Amount any amount as to which Seller is obligated to indemnify Buyer pursuant to any provision of this Section 9.2.

9.3 Payment of Holdback Amount. Buyer shall hold and pay the Holdback Amount pursuant to Article II and this Section 9.3. If Buyer has not delivered notice of a claim to Seller on or before the second anniversary of the Closing Date, all of the Holdback Amount shall be paid promptly to Seller with interest thereon at an interest rate per annum equal to the prime rate of interest from the Closing Date through the date of payment of the Holdback Amount. If Buyer has delivered one or more notices of a claim to Seller on or before the second anniversary of the Closing Date and has exercised its right of offset pursuant to Section 9.2(e), or has not then determined the appropriate amount to be offset, Buyer shall pay to Seller promptly after the second anniversary of the Closing Date an amount equal to the Holdback Amount less

any amounts offset against it pursuant to Section 9.2(e) and an amount reasonably estimated by Buyer to cover any unresolved claims, with interest thereon as provided in the preceding sentence. As promptly as practicable after the second anniversary of the Closing Date, Buyer shall determine the amount to be retained by it in satisfaction of any such unresolved claims and submit the balance of the Holdback Amount, if any, to Seller with interest as prescribed above; provided, however, that if Seller disagrees with Buyer's determination of the amount to be retained, the parties shall first negotiate in good faith to determine the appropriate retention amount. If the parties are unable to do so within ten (10) days, then Seller and Buyer shall choose a nationally recognized independent public accounting firm (other than a public accounting firm regularly engaged by the parties) which shall be retained to determine, within thirty (30) days thereafter, the appropriate retention amount, and Buyer shall submit the balance, if any, of the Holdback Amount to Seller with interest as prescribed above. If the public accounting firm retained by the parties is unable to determine the appropriate retention amount, then the parties will submit the matter to binding arbitration to be held in Orange County. Within fifteen (15) days after the date that the matter is submitted to arbitration, the parties will confer to select a mutually acceptable arbitrator from the Judicial Arbitration and Mediation Association ("JAMS") or other agreed-upon panel. If the arbitrator so selected is unavailable, the parties will confer to select another arbitrator. If the parties cannot mutually agree to the selection of an arbitrator, or if one party refuses to participate in the selection process, JAMS will appoint an arbitrator. The arbitrator will be governed by the provisions of this Agreement to the extent inconsistent with the rules of JAMS. All fees and expenses of the independent public accountant and arbitration will be paid equally by the parties. Buyer and Seller agree and acknowledge that offset against the Holdback Amount shall not be Buyer's exclusive method of receiving indemnification from Seller pursuant to Section 9.2.

9.4 Bulk Sales. It may not be practicable to comply or attempt to comply with the procedures of the "Bulk Sales Act" or similar law of California or of any other state which may be asserted to be applicable to the transactions contemplated hereby. Accordingly, to induce Buyer to waive any requirements for compliance with any or all of such laws, Seller hereby agrees that the indemnity provisions of Section 9.2 hereof shall apply to any Damages of Buyer arising out of or resulting from the failure of Seller or Buyer to comply with any such laws.

9.5 Taxes. Seller shall pay, or cause to be paid, when due all Taxes for which Seller is or may be liable or that are or may become payable with respect to all taxable periods ending on or prior to the Closing Date.

9.6 Insurance. For twelve (12) months after the Closing Date, Seller shall continue to maintain products liability insurance with respect to products insured as of the Closing Date providing substantially the same coverage as in effect on the date hereof and Seller shall cause Buyer to be named as an additional insured on each such policy.

9.7 Further Assurances. Both before and after the Closing Date, each party will cooperate in good faith with the other and will take all appropriate action and execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the transactions contemplated hereunder.

9.8 Right of First Offer. After the Closing, if Seller decides to offer any new products for Sale to third parties, or offer any new business for sale to third parties, Seller shall first notify Buyer in writing of such decision. Buyer shall have a period of thirty (30) days after the receipt of such written notice to enter into a letter of intent with Seller to purchase or license such products, or to purchase such business, on terms and conditions mutually acceptable to Seller and Buyer. If Buyer and Seller do not enter into a letter of intent within such 30-day period, then Seller shall be free to offer such products for sale or license to third parties, or to offer such business for sale to third parties. For purposes of this Section 9.8, the term "Sale" shall mean a transfer of ownership of the product or business. This Section 9.8 shall not apply to the new products listed on Exhibit H attached hereto.

9.9 Consumer Mail-in Rebates. Seller shall be liable for all consumer mail-in rebates indicating a purchase date by the consumer prior to March 9, 2001, and Buyer shall be liable for all such rebates from and after March 9, 2001. Buyer may elect to have Seller continue to process consumer mail-in rebates after March 9, 2001 for the benefit of Buyer, provided that Buyer pays to Seller the actual cost of the rebates, plus a processing fee \$1.00 per rebate. Such costs and fees shall be payable by Buyer within ten (10) days after the receipt of invoices from Seller.

9.10 Use of Seller's UPC. Until May 9, 2001, Buyer (i) shall use Seller's UPC for all CD Stomper label applicator packaging and (ii) shall not change the CD Stomper label applicator packaging.

9.11 Reimbursement for Certain Marketing Commitments. If any marketing commitment made by Seller prior to the Closing Date and not listed on Schedule 1.1B has not been fully satisfied prior to the Closing Date, and a customer deducts an amount from Buyer's invoice for that marketing commitment, then Seller shall promptly reimburse Buyer for such amount. If any marketing commitment made by Seller prior to the Closing Date and listed on Schedule 1.1B has not been fully satisfied prior to the Closing Date, and a customer deducts an amount from Seller's invoice for that marketing commitment, then Buyer shall promptly reimburse Seller for such amount.

9.12 Seller's Right to Use Corporate Name. Notwithstanding any provision to the contrary contained in this Agreement, after the Closing, Seller shall have a perpetual exclusive, worldwide, royalty-free license to use the name "Stomp, Inc." as the name of its legal entity, and Seller shall continue to have the right to maintain its "www.stompinc.com" web site. Seller shall have no right to use the name "Stomp" or "Stomp, Inc." as a trademark or service mark.

9.13 Seller's Rights Regarding Website. Notwithstanding any provision to the contrary contained in this Agreement, Seller shall have the right through August 31, 2001, to put beta versions of its "Click 'N Design" software on the "www.cdstomper.com" website which is being transferred to Buyer at the Closing.

9.14 License Agreement. Periodically after the Closing, Seller shall provide to Buyer release candidate versions of its "Click 'N Design" software for testing by Buyer. In the event that any such version of the software is acceptable to Buyer in its sole discretion, then Buyer shall notify Seller in writing, and the parties will enter into a License Agreement, substantially in the form attached hereto as Exhibit D.

ARTICLE X

MISCELLANEOUS

10.1 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any party without the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder.

10.2 Notices; Transfer of Funds. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by either party to the other shall be in writing and delivered personally or mailed by certified mail, postage prepaid, return receipt requested (such mailed notice to be effective on the date such receipt is acknowledged or refused), as follows:

If to Buyer, addressed to:

Avery Dennison Office Products Company
C/o Avery Dennison Corporation
150 North Orange Grove Boulevard
Pasadena, California 91103
Attention: Susan C. Miller, Assistant General Counsel

If to Seller, addressed to:

Stomp, Inc.
1012 Brioso Drive, #105
Costa Mesa, CA 92627-4544
Attention: Michael C. Self, Executive V.P., General Counsel and Chief
Financial Officer

or to such other place and with such other copies as either party may designate as to itself by written notice to the others.

Payments to be made to Buyer or Seller hereunder shall be made by wire transferred funds to be delivered to such account or place as Seller may designate by written notice as provided herein. Payments to be made to Buyer hereunder shall be made by wire

transferred funds to be delivered to Buyer's account at such bank as Buyer may designate by written notice as provided herein.

10.3 Choice of Law. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of California (without reference to the choice of law provisions of California law) except with respect to matters of law concerning the internal corporate affairs of any corporate entity which is a party to or the subject of this Agreement, and as to those matters the law of the jurisdiction under which the respective entity derives its powers shall govern. The parties agree to jurisdiction in the applicable Federal or state court in Orange County, California and agree to submit to personal jurisdiction in said courts in Orange County, California.

10.4 Entire Agreement; Amendments and Waivers. This Agreement, together with all exhibits and schedules hereto and the Confidentiality Agreement, dated October 19, 2000, between the parties, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

10.5 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 one and the same instrument.

10.6 Expenses. Except as otherwise specified herein, each party hereto shall pay its own legal, accounting, out-of-pocket and other expenses incident to this Agreement and to any action taken by such party in preparation for carrying this Agreement into effect.

10.7 Invalidity. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

10.8 Titles. The titles, captions or headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

10.9 Publicity. Neither party shall issue any press release or make any public statement regarding the transactions contemplated hereby, without the prior approval of the other party, except as such release or statement may be required by law, in which case the party making such release or statement shall show such release or statement in advance to the other party.

10.10 Confidential Information. The parties acknowledge that the transaction described herein is of a confidential nature and shall not be disclosed except to consultants, advisors and affiliates, or as required by law, until such time as the parties make a public announcement regarding the transaction as provided in Section 11.10. None of the parties shall make any public disclosure of the specific terms of this Agreement, except as required by law. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each party acknowledges that it will have access to confidential information relating to the other party. Such confidential information shall be subject to the Confidentiality Agreement, dated October 19, 2000, between the parties.

10.11 No Third-Party Beneficiaries. No person (other than parties to this Agreement or their respective successors or permitted assigns) shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained.

10.12 Cumulative Remedies. All rights and remedies of either party hereto are cumulative of each other and of every other right or remedy such party may otherwise have at law or in equity, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.


10.13 Attorneys' Fees. Except as provided in Section 9.3, if any party to this Agreement brings an action to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including without limitation reasonable attorneys' fees, incurred in connection with such action, including any appeal of such action.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their respective behalf, by their respective officers thereunto duly authorized, all as of the day and year first above written.

AVERY DENNISON OFFICE PRODUCTS
COMPANY

STOMP, INC.


By: *Susan C Miller*
Susan C. Miller

By: 
Michael L. Hummell

Its: Attorney-in-fact

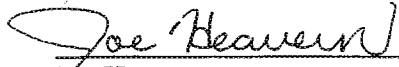
Its: President

As to Article VIII, the following individuals agree to be bound by said Article as Shareholders:

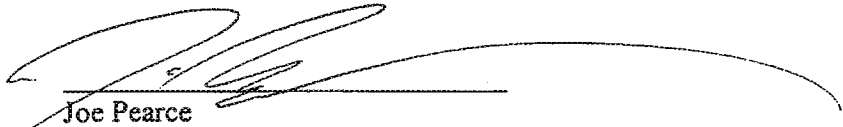

Michael Hummell



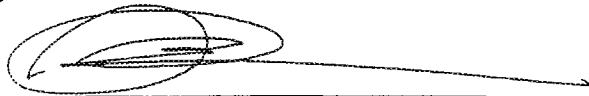
Ken Holowatch



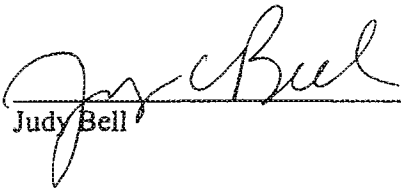
Joe Heavern



Joe Pearce



Brian Fleenor



Judy Bell

LIST OF SCHEDULES AND EXHIBITS

Schedules

- 1.1A - Asset List
- 1.1B - Assumed Contracts
- 1.1C - Equipment List
- 4.4 - Customers, Distributors and Suppliers
- 4.5 - Contracts and Commitments
- 4.13 - Proprietary Rights
- 4.15 - Insurance Policies

Disclosure Schedule

Exhibits

- A - Services Agreement (Section 1.1)
- B - Allocation of Purchase Price (Section 2.4)
- C - Bill of Sale (Section 3.2(a)(i))
- D - License Agreement (Section 9.14)
- E - Settlement Agreement And Mutual General Release (Section 7.7)
- F - RMT Patents and Patent Applications (Section 7.8)
- G - Form of RMT License (Section 7.8)
- H - List of New Products To Be Kept By Seller (Section 9.8)

Schedule 4.13

Number, owner and title of all copyright registrations, patents, patent applications, invention disclosures, domain names, domain name applications, trademarks, and applications for trademarks owned or licensed by Seller and used in the Business:

Owned By Seller

Copyrights:

- (1) US Copyright (TX 5-068-346) for Optical Disc Labeling System (selling box appearance)
- (2) US Copyright (VA 1-005-272) for Optical Disc Labels (layout)

Patents:

- (1) Optical Disc Adhesive Label Applicator
US Patent (5,951,819)
- (2) Optical Disc Adhesive Label Applicator
US Patent (Des.421,057)

Patent Applications:

- (1) Optical Disc Adhesive Label Applicator
Australia Pending Serial Number 42697/97
EPO Pending App No. 97941062.8
PCT App. No. US97/16227
Brazil Pending App. No. P19711831-1
Canada Pending App. No. 2265569
Japan Pending App. No. 513914/1998
Mexico Pending App. No. 992504
US Continuation 5,951,819 No. 354890
- (2) Optical Disc Adhesive Label Applicator for Non-Circular Optical Discs
US Patent Pending App. No. 09/697,719
- (3) Self Adhesive Label for Non-Circular Optical Discs
US Patent Pending App. No. 09/687,649
- (4) Erasable and Re-writable Disc Label System for Optical Discs
US Patent Pending App. No. 09/313,904

Invention Disclosures:

Zaxwerks, Inc. (source code of Click'N Design)

