TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	12/15/2008

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Highbeam Research, Inc.		12/15/2008	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Gale Holdings I, Inc.
Street Address:	200 First Stamford Place
City:	Stamford
State/Country:	CONNECTICUT
Postal Code:	06902
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Serial Number:	78318430	HIGHBEAM
Serial Number:	78318088	H

OP $65.00 78318430

CORRESPONDENCE DATA

Fax Number: (203)965-8509
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 203-965-8759
Email: eartha.hinds@cengage.com
Correspondent Name: Eartha Hinds
Address Line 1: 200 First Stamford Place
Address Line 4: Stamford, CONNECTICUT 06902

NAME OF SUBMITTER:	Eartha Hinds
Signature:	/eh/
Date:	03/17/2009

Total Attachments: 68
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AGREEMENT AND PLAN OF MERGER

by and among

GALE HOLDINGS I, INC.,

HBR ACQUISITION, INC.,

HIGHBEAM RESEARCH, INC.,

PATRICK SPAIN

as Stockholder Representative

and

the other Stockholders signatory hereto

Dated as of December 15, 2008

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER, dated as of December 15, 2008 (this "Agreement") by and among the stockholders signatory hereto, Patrick Spain as the Stockholder Representative (the "Stockholder Representative"), HighBeam Research, Inc., a Delaware corporation (the "Company"), HBR Acquisition, Inc., a Delaware corporation ("Newco"), and Gale Holdings I, Inc., a Delaware corporation ("Parent").

WHEREAS, the Company is engaged in operating a subscription online research service consisting of an aggregated archive of newspapers, magazines and journals located at www.highbeam.com and a free reference service consisting of aggregated content from various encyclopedias and reference works located at www.encyclopedia.com (the "Business");

WHEREAS, Newco is a wholly-owned subsidiary of Parent; and

WHEREAS, the board of directors of the Company, Parent and Newco have each determined that it is advisable for, and in the best interests of their respective stockholders that, Newco merge with and into the Company (the "Merger"), pursuant to and subject to the terms and conditions of this Agreement and the Delaware General Corporation Law (the "DGCL").

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

ARTICLE I

THE MERGER

SECTION 1.01. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL at the Effective Time, Newco shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Newco shall cease and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation") and a wholly owned subsidiary of Parent.

SECTION 1.02. Closing. The closing of the Merger (the "Closing") shall take place at 10:00 a.m., Central time, on the date hereof, (the "Closing Date") at the offices of Gould & Ratner, 222 North LaSalle Street, Suite 800, Chicago, Illinois 60601, unless another date, place, time or method is agreed to in writing by the Parent and the Company. As used herein the term "business day" means any day other than a Saturday, a Sunday, or a U.S. federal holiday.

SECTION 1.03. Effective Time. Prior to the Closing, the parties hereto shall prepare, and on the Closing Date shall cause the Merger to be consummated by the filing of, a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware, in the form required by, and executed in accordance with the relevant provisions of, the DGCL and in a form approved by the Company and Parent prior to such filing (the date and time of the filing of the Certificate of Merger or the time specified therein as the effective time of the Merger being the "Effective Time"), and the Company, Parent and Newco shall make all

other recordings or filings required under the DGCL or any other applicable Law as may be required to consummate the transactions contemplated by this Agreement.

SECTION 1.04. Certificate of Incorporation; Bylaws. At the Effective Time, the certificate of incorporation ("Certificate of Incorporation") and bylaws ("Bylaws") of the Company, as in effect immediately prior to the Effective Time, shall be amended and restated in their entirety to be the same as the certificate of incorporation and by-laws of Newco as in effect immediately prior to the Effective Time, except that the name of the Surviving Corporation shall be changed to HighBeam Research, Inc., until such documents are thereafter changed or amended in accordance with the provisions thereof and the DGCL.

SECTION 1.05. Directors; Officers. At the Effective Time, the directors of Newco immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and the bylaws of the Surviving Corporation, until their respective successors are duly elected or appointed and qualified or until the earlier of their death, resignation, or removal. At the Effective Time, the officers of Newco immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and the bylaws of the Surviving Corporation, until their respective successors are duly elected or appointed and qualified or until the earlier of their death, resignation, or removal. No director or officer of the Company shall be deemed to be a director or officer of the Surviving Corporation as a result of the Merger.

ARTICLE II

CONVERSION OF SHARES; CONSIDERATION

SECTION 2.01. Conversion of Capital Stock.

Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any further action on the part of any holder of capital stock of the Company, Parent or Newco:

(a) Capital Stock of Newco. Each issued and outstanding share of the common stock, par value $0.001 per share, of Newco (the "Newco Common Stock") shall be converted into and become one fully paid and nonassessable share of common stock, par value $0.001 per share, of the Surviving Corporation ("Surviving Corporation Common Stock"). Each certificate representing outstanding shares of Newco Common Stock shall at the Effective Time represent an equal number of shares of Surviving Corporation Common Stock.

(b) Cancellation of Treasury Stock. All shares of capital stock of the Company, that are owned by the Company as treasury stock immediately prior to the Effective Time (the "Cancelled Shares") automatically shall be cancelled and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Conversion of Shares. At the Effective Time, all outstanding shares of capital stock of the Company (the "Company Shares") (but excluding Cancelled Shares and

Company Shares that are Dissenting Shares (as defined in Section 2.06)) shall no longer be outstanding and shall be cancelled automatically and shall cease to exist, and each holder of a certificate representing any such Company Shares shall cease to have any rights with respect thereto, except the right to receive, without interest, (i) the Closing Per Share Amount, (ii) with respect to the Contributing Stockholders, the Final Adjustment Per Share Amount, if any, to be paid to such Person pursuant to Section 2.04, and (iii) with respect to the Contributing Stockholders, their portion of the Escrow Fund, if any, pursuant to the terms of the Escrow Agreement, upon the surrender of such certificate in accordance with Section 2.04(d). As used in the Agreement "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a governmental entity.

(d) Treatment of Options. Prior to the Closing, the Board of Directors of the Company (or, if appropriate, any committee thereof) shall have adopted appropriate resolutions and taken all other actions necessary to provide that each outstanding stock option (each an "Option") heretofore granted under the Company's HighBeam Research, Inc. 2004 Stock Option Plan and HighBeam Research, Inc. 2007 Stock Option Plan (collectively, the "Company Stock Plans") whether or not currently vested or exercisable on or prior to the Effective Time, and which remains outstanding immediately prior to the Effective Time, shall be cancelled, no longer be outstanding and cease to represent the right to acquire shares of Common Stock and in consideration for such cancellation, each holder of a vested Option (each, an "Option Holder" and, together with the stockholders of the Company, the "Stockholders" or "Sellers" shall, at the Effective Time, have the right to receive a portion of the Merger Consideration in cash from the Company in respect thereof equal to (A) in the case of Exercisable Options (as defined below) (i) the product of (x) the total number of shares of Common Stock subject to such Option and (y) the excess, if any, of the Closing Per Share Amount over the exercise price for each share of Common Stock subject to such Option (less applicable withholding taxes, the "Cash Option Payment"), (ii) the Final Adjustment Per Share Amount, if any, to be paid to such Option Holder pursuant to Section 2.04(d), and (iii) such Option Holder's portion of the Escrow Fund, if any, pursuant to the terms of the Escrow Agreement and (B) in the case of Options that are not Exercisable Options, no amount shall be payable.

(e) It is understood and agreed that no Option Holder, Stockholder or Associated Group whose share of the Estimated Merger Consideration is less than $65,000 (a "Non-Contributing Stockholder") shall have any of their Merger Consideration placed in the Escrow Fund and each remaining Stockholder and Option Holder whose share of the Estimated Merger Consideration equals or exceeds $65,000 (a "Contributing Stockholder") will fund the Escrow Fund from the Estimated Merger Consideration. As used herein Associated Group shall mean any group of Option Holders or Stockholders whose shares are, directly or indirectly, controlled by, or are under common control of, any individual, married couple, or entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such individual, married couple or entity.

SECTION 2.02. Calculation of Merger Consideration.

(a) Schedule 2.02(a) sets forth all of the now known current liabilities, certain current assets (including certain accounts receivable), and certain other proratable

items and non-balance sheet items of the Company (collectively, "Assets and Liabilities") of the Company as of the date hereof and as of the Effective Time and was prepared in accordance with the Accounting Principles. Sellers and the Stockholder Representative agree that those Assets and Liabilities set forth on Schedule 2.02(a) shall remain Assets and Liabilities of the Company; *provided*, that an amount (which may be a negative number) equal to the aggregate amount of the Liabilities allocated to the Company as set forth on Schedule 2.02(a) minus those Assets allocated to Parent as set forth Schedule 2.02(a) (the "Sellers Payable Amount") shall be deducted from the Base Merger Consideration pursuant to Section 2.02(c). The Liabilities allocated to Parent as set forth on Schedule 2.02(a) are referred to herein at the "Parent Payable Amount".

(b) Schedule 2.02(b) sets forth the estimated Transaction Expenses (the "Estimated Transaction Expenses ").

(c) The initial merger consideration shall be $27,000,000 (the "Base Merger Consideration") minus the sum of (A) the Estimated Transaction Expenses, (B) the liquidation preference in the aggregate amount of $6,853,222 payable to the holders of preferred stock of the Company under the Certificate of Incorporation (the "Liquidation Preference") and (C) the Sellers Payable Amount (the Base Merger Consideration as so adjusted, the "Estimated Merger Consideration"). The Estimated Merger Consideration as adjusted pursuant to Section 2.03 of this Agreement shall be referred to herein collectively as the "Merger Consideration".

SECTION 2.03. Post-Closing True-Up.

(a) Delivery of Closing Date True-Up.

(i) No later than one hundred twenty (120) days after the Closing Date (the "True-Up Date"), the Surviving Corporation shall deliver to the Stockholder Representative a statement (the "Closing Date True-Up Statement") setting forth its calculations, as of the Effective Time, of (i) the Sellers Payable Amount (the "Closing Date Sellers Payable Amount" (ii) the Transaction Expenses (the "Closing Date Transaction Expenses ") and (iii) the Parent Payable Amount (the "Closing Date Parent Payable Amount"). All calculations included on the Closing Date True-Up Statement shall be made in accordance with the Accounting Principles consistent with the preparation of Schedule 2.02(a); *provided*, that only the accounts receivable which are collected prior to the True-Up Date, will be considered assets for the purpose of preparing the Closing Date True-Up Statement. The Parent shall cause the Surviving Corporation and its employees to provide the Stockholder Representative with reasonable access during regular business hours to the Company's controller, property, works sheets and other work papers used to prepare the Closing Date True-Up Statement and books and records of the Business for purposes of reviewing the Closing Date True-Up Statement.

(b) Disputes.

(i) On behalf of the Stockholders, the Stockholder Representative (and only the Stockholder Representative) may dispute any element of the Closing Date True Up by providing written notice to Parent of such disagreement, setting forth in detail the particulars of such disagreement, within thirty (30) days after the Stockholder Representative's receipt of the Closing Date True Up Statement. In the event that the Stockholder Representative does not provide such a notice of disagreement within such thirty (30) day period, all of the Stockholders shall be deemed to have accepted the Closing Date True-Up Statement, which shall thereafter be final, binding, and conclusive for all purposes hereunder. In the event any such notice of disagreement is timely provided, Parent and the Stockholder Representative shall use their reasonable best efforts for a period of thirty (30) days (or such longer period as to which they shall mutually agree) to resolve any disagreements with respect to the presentation of the Closing Date True Up Statement. If, at the end of such period, they are unable to resolve such disagreements, then an independent accounting firm of recognized national standing as may be mutually selected by the Parent and the Stockholder Representative (the "Independent Accountant") shall resolve any remaining disagreements as promptly as practicable. The fees and expenses of the Independent Accountant shall be paid one-half by Parent and one-half by the Stockholder Representative by offset from the Escrow Amount. The determination of the Independent Accountant shall be final, conclusive, and binding on parties hereto and all of the Stockholders.

(c) Effect of Deficiency/Excess. For purposes of determining the Merger Consideration, the Estimated Merger Consideration shall be reduced dollar-for-dollar by the amount of the Deficiency, if any, or increased dollar-for-dollar by the amount of the Excess, if any.

(d) Effect and Resolution of Deficiency/Excess. If it is finally determined pursuant to the provisions of this Section 2.03 that there is a Deficiency, then within five (5) business days Sellers shall pay to Parent the amount of the Deficiency. If it is finally determined pursuant to the provisions of this Section 2.03 that there is an Excess, then within five (5) business days Parent shall pay to Sellers the amount of the Excess.

(e) Payment.

(i) All payments for the Deficiency or the Excess shall be made by wire transfer of immediately available funds to the account or accounts designated by Parent or the Stockholder Representative (in accordance with the payment procedures set forth in Section 2.04(d)), as the case may be, within five (5) business days after the final determination thereof.

(ii) In the event of a payment for a Deficiency, Parent and the Stockholder Representative shall issue joint written instructions to the Escrow Agent releasing from the Escrow Fund to an account designated by Parent the

amount of such Deficiency. All payments of the Deficiency shall be made solely from the Escrow Fund.

(iii) In the event of a payment for an Excess, the Surviving Corporation (on behalf of the Parent) shall cause the amount of such Excess to be distributed pursuant to Section 2.04(d)(iv).

SECTION 2.04. Payment; Escrow; Payment Procedures.

(a) Initial Payment Fund. On the Closing Date, Parent shall pay to the Company (on behalf of the Stockholders) an amount in cash equal to the Estimated Merger Consideration minus an amount (the "Dissenting Shares Amount") equal to the product of the total number of Dissenting Shares multiplied by the Closing Per Share Amount minus the Escrow Amount (as defined below) by wire transfer of immediately available funds to a segregated account minus any amount which the Stockholder Representative sets forth in writing to a separate escrow fund for the benefit of the Stockholders for closing costs and other items. The amount paid to the Stockholders pursuant to this Section 2.04(a) (the "Estimated Payment Fund") together with any amounts paid to the Stockholders by Parent pursuant to Section 2.03(d) (the "Additional Funds" and together with the Estimated Payment Fund, and all interest or other earnings thereon, the "Payment Fund") shall be held and disbursed by the Company (or the Surviving Corporation, as the case may be) strictly in accordance with this Article II and the terms of the Escrow Agreement.

(b) Escrow Fund. Pursuant to an escrow agreement entered into on the Closing Date by and among Parent, the Stockholder Representative and an independent escrow agent JPMorgan Chase Bank N.A. (in such capacity, the "Escrow Agent") in substantially the form attached hereto as Exhibit A (as amended, restated or otherwise modified from time to time, the "Escrow Agreement"), Parent and the Stockholder Representative will appoint the Escrow Agent to hold and disburse the Escrow Fund as provided below. At the Closing Parent shall deposit with the Escrow Agent (on behalf of all of the Contributing Stockholders) a portion of the Estimated Merger Consideration equal to $1,350,000 (the "Escrow Amount") and, together with all interest or other earnings thereon (the "Escrow Fund"), by wire transfer of immediately available funds. The Escrow Fund shall be held by the Escrow Agent to serve as the sole and exclusive source of payment to Parent for any claims under this Agreement (other than claims under Section 7.02(a)(xiv) hereof as to which claims the Escrow Fund shall not be the sole and exclusive source of payment) as a result of a successful claim for indemnification, if any, by Parent pursuant to Article VII hereof or for amounts owed as a result of any adjustments required by Stockholders under Section 2.03 hereof.

(c) Use and Disbursement of Estimated Payment Fund. The Company (or the Surviving Corporation, as the case may be) shall hold the Estimated Payment Fund in a segregated account on behalf of the Stockholders and use such funds for the sole purposes of (i) delivery of the Cash Option Payment, and (ii) delivery of the Closing Per Share Amount in respect of Company Shares issued and outstanding immediately prior to Closing.

(d) Payment Procedures.

(i) Each record holder of a certificate evidencing Company Shares (a "Certificate") shall be provided by the Company with a form of letter of transmittal, substantially in the form of Exhibit B (the "Transmittal Letter") and instructions for the use thereof to surrender such Certificate to the Parent for payment pursuant to this Section 2.04(d). The Transmittal Letter specifies that delivery shall be effected, and risk of loss and title to the Certificate shall pass, only upon proper delivery of the Certificate (or as appropriate, in the Parent's reasonable judgment, affidavit of loss in respect thereof) to the Company in accordance with the terms of delivery specified in the Transmittal Letter and the instructions for the use thereof in surrendering Certificate(s).

(ii) Each holder of Company Shares outstanding immediately prior to the Effective Time (excluding the Cancelled Shares and Dissenting Shares) shall be entitled to receive, upon surrender to the Company for cancellation of the Certificates representing such Company Shares and a duly executed Transmittal Letter, and subject to any required withholding of Taxes (as determined in good faith by the Company at the direction of the Stockholder Representative), the Closing Per Share Amount associated with such Company Shares. If a Stockholder delivers his, her or its Certificate(s), a properly completed Transmittal Letter and payment instructions (including wire transfer instructions if applicable) to Parent or Parent's counsel at least three (3) business days prior to the Closing Date, such Closing Per Share Amount, less the aforesaid reductions, will be paid to such Stockholder on the Closing Date as set forth on Schedule 2.04(d)(ii). Parent's counsel shall hold any such Stockholder deliverables in escrow pending Stockholder Representative's release of such deliverables. If a Stockholder delivers his, her or its Certificate(s), a properly completed Transmittal Letter and payment instructions (including wire transfer instructions if applicable) to the Parent or Company subsequent to the Closing Date, such Closing Per Share Amount, less the aforesaid reductions, will be paid to such Stockholder three (3) business days following delivery to Parent or Parent's counsel. From and after the Effective Time until surrendered to the Surviving Corporation, each Certificate shall be deemed for all corporate purposes to evidence only the right to receive, in accordance with the terms of this Agreement, the Closing Per Share Amount and, with respect to Contributing Stockholders, the Final Adjustment Per Share Amount, if any, into which the Company Shares previously represented thereby shall have been converted in the Merger. No interest will accrue or be paid on any amount payable to the holder of any outstanding Company Shares pursuant to this Agreement.

(iii) Each holder of Exercisable Options shall be entitled to receive, upon delivery of payment instructions satisfactory to the Parent and execution of a release in the form of Exhibit C hereto, (the "Option Holders' Letter"), and subject to any required withholding of Taxes (as determined in good faith by the Parent), the Cash Option Payment. If a holder of Exercisable Options delivers his, her or its payment instructions (including wire transfer instructions if

applicable) and an executed Option Holders' Letter to the Parent or Parent's counsel at least three (3) business days prior to the Closing Date, such Cash Option Payment, less the aforesaid reductions, will be paid to such Option Holder (to be Stockholder upon the deemed exercise of such Options) on the Closing Date (subject to Parent's reasonable approval of the proper receipt of such documentation). If a holder of Exercisable Options delivers his, her or its payment instructions (including wire transfer instructions if applicable) and an executed Option Holders' Letter to the Parent, Parent's counsel or Company subsequent to the Closing Date, such Cash Option Payment, less the aforesaid reductions, will be paid to such Option Holder (to be Stockholder upon deemed exercise of such Options) no later than three (3) business days following such delivery.

(iv) If any Additional Funds are payable to the Contributing Stockholders from the Surviving Corporation (on behalf of the Parent) pursuant to Section 2.03(d), Parent shall cause the Surviving Corporation to pay such Additional Funds attributable to each Contributing Stockholder who has delivered his, her or its Certificate(s), a properly completed Transmittal Letter and payment instructions to the Company as directed by the Stockholder Representative to either (A) the Escrow Agent for deposit into the Escrow Fund, or (B) the Stockholder Representative.

(e) No Further Rights. All cash paid upon conversion of the Company Shares in accordance with the terms of this Article II to or for the benefit of Stockholders, shall be deemed to have been paid in full satisfaction of all rights pertaining to such Company Shares upon delivery to the Company in its capacity as paying agent hereunder or the Surviving Corporation, as the case may be, in accordance with the terms hereof. By approval of the Merger and their execution of the Transmittal Letter, each holder of Company Shares shall be deemed to have irrevocably authorized Parent to pay the Estimated Merger Consideration, as adjusted, and, the Additional Funds, if any, to the Company or the Surviving Corporation, as the case may be, in accordance with the terms of this Article II.

(f) Lost, Stolen or Destroyed Stock Certificates. In the event any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit setting forth that fact by the Person claiming such lost, stolen or destroyed Certificate(s) and granting adequate (in the Parent's reasonable judgment) indemnity against any claim that may be made against the Surviving Corporation, Parent or the Stockholder Representative with respect to such Certificate(s), the Company or the Surviving Corporation, as the case may be, shall pay the applicable amount required to be paid hereunder with respect to each share evidenced by such lost, stolen or destroyed Certificate(s).

(g) Transaction Expenses. On the Closing Date, Parent shall pay the Transaction Expenses via wire transfer to the payees set forth on Schedule 2.02(b) and the Liquidation Preference to certain Stockholders as set forth on Schedule 2.04(d)(ii).

SECTION 2.05. Stock Transfer Books. At the Effective Time, the stock transfer books of the Company with respect to all shares of capital stock of the Company shall be closed and no further registration of transfers of such shares of capital stock shall thereafter be made on the records of the Company.

SECTION 2.06. Dissenting Shares. Notwithstanding any other provisions of this Agreement to the contrary, Company Shares that are issued and outstanding immediately prior to the Effective Time and that are held by a Person who shall not have voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such shares in accordance with Section 262 of the DGCL (collectively, the "Dissenting Shares") shall not be converted into or represent the right to receive the Closing Per Share Amount or the Final Adjustment Per Share Amount. The holders of Dissenting Shares shall be entitled to receive from the Surviving Corporation payment of the appraised value of such shares of Common Stock held by them in accordance with the provisions of such Section 262 (the "Appraised Value"), except that (i) all Dissenting Shares held by a Person who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Company Shares under such Section 262 shall thereupon be deemed to have been converted into and to have become exchangeable, as of the Effective Time, for the right to receive, without any interest thereon, the Closing Per Share Amount, and, if such holder is a Contributing Holder, the Additional Funds, if any, upon surrender, payable in the manner and subject to the adjustments provided for in Section 2.02, of the certificate or certificates that formerly evidenced such Company Shares, and (ii) in such case, the Surviving Corporation shall promptly deliver the Closing Per Share Amount and, if such holder is a Contributing Holder, the Additional Funds, if any, to such Person by wire transfer of immediately available funds to an account designated by the Stockholder Representative on behalf of such Person.

SECTION 2.07. Definitions. The following capitalized terms shall have the meanings ascribed to them in this Section 2.07.

(a) "Closing Date Payment" shall mean the Estimated Merger Consideration minus the Escrow Amount (as defined below).

(b) "Closing Per Share Amount" shall mean:

(i) with respect to shares held by Non-Contributing Stockholders an amount equal to:

(A) the quotient of:

(1) the sum of:

a the Estimated Merger Consideration plus;

b the aggregate exercise price of all of the Exercisable Options.

(2) divided by:

a the Fully Diluted Share Amount; and

(ii) with respect to shares held by Contributing Stockholders an amount equal to:

(A) the quotient of:

(1) the sum of:

a the Estimated Merger Consideration plus;

b the aggregate exercise price of all of the Exercisable Options.

(2) divided by:

a the Fully Diluted Share Amount;

(3) minus the Escrow Per Share Amount.

(c) "Contributing Stockholder Share Amount" shall mean the number of shares of Common Stock attributable to the Contributing Stockholders.

(d) "Deficiency" shall mean the amount, if any, by which the sum of (i) the Closing Date Sellers Payable Amount, (ii) the Closing Date Transaction Expenses and (iii) the difference, if any (which may be a negative number), between the Closing Date Parent Payable Amount and the Parent Payable Amount, each as set forth on the Closing Date True-Up Statement, is greater than the sum of (i) the Sellers Payable Amount and (ii) the Estimated Transaction Expenses .

(e) "Escrow Per Share Amount" shall mean the quotient of (A) the Escrow Amount divided by (B) the Contributing Stockholder Share Amount.

(f) "Excess" shall mean the amount, if any, by which the sum of (i) the Closing Date Sellers Payable Amount, (ii) the Closing Transaction Expenses and (iii) the difference, if any (which may be a negative number), between the Closing Date Parent Payable Amount and the Parent Payable Amount, each as set forth on the Closing Date True-Up Statement, is less than the sum of (i) the Sellers Payables Amount and (ii) the Estimated Transaction Expenses .

(g) "Exercisable Options" shall be those Options remaining in the following formula after its completion:

(i) the quotient of:

(A) the sum of:

(1) Estimated Merger Consideration plus;

(2) the aggregate exercise price for all Options;

divided by:

(B) the Fully Diluted Share Amount.

If the quotient of this formula results in an amount which is less than or equal to the exercise or purchase price of any shares of Common Stock subject to Options, the formula shall be recalculated without such Options, and such process shall be repeated until such time as the resulting amount is greater than the exercise or purchase price of all such remaining shares of Common Stock subject to Options.

(h) "Final Adjustment Per Share Amount" shall mean the Final Adjustment Amount divided by (ii)the Contributing Stockholders Share Amount.

(i) "Final Adjustment Amount" shall mean the Deficiency, expressed as a negative number, or the Excess, as the case may be.

(j) "Fully Diluted Share Amount" shall mean the sum of (i) the total number of shares of Common Stock issued and outstanding immediately prior to the Effective Time plus (ii) the total number of shares of Common Stock attributable to the Preferred Stock outstanding immediately prior to the Closing (as determined pursuant to the Certificate of Incorporation as in effect as of the date hereof) plus (iii) the total number of shares of Common Stock subject to Exercisable Options.

(k) "Transaction Expenses" shall mean the any fees and expenses of the Company (including any change of control or similar payments to Company Employees or any other Person) incurred in connection with the negotiation and the consummation of the transactions contemplated by this Agreement and any other agreements in respect of similar transactions with other parties not treated in a different manner under this Agreement and unpaid as of the Closing Date.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent as follows:

SECTION 3.01. Organization and Authority of the Company; Sellers.

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Company has the full power and authority to enter into, execute and deliver this Agreement and the other agreements and instruments referred to in this Agreement to which the Company is a party (the "Company Additional Agreements"), and to carry out the transactions contemplated hereby and thereby. The Company is in good standing and qualified to do business in each jurisdiction where the nature of its businesses requires such qualification except where the failure to so be in good standing or to be so qualified would not have a

Material Adverse Effect (as defined below in this Section 3.01). Schedule 3.01 of the Disclosure Schedule separately sets forth the names of all of the states or other jurisdictions where the Company is qualified to transact business. The Company does not own or lease property in any jurisdiction other than its jurisdiction of incorporation and the jurisdictions set forth on Schedule 3.01.

A "Material Adverse Effect" shall mean any change, occurrence, circumstance or development that, individually or in the aggregate, has or would reasonably be expected to have material adverse effect on the business, assets, results of operations or financial condition of the Business, taken as a whole, excluding any such effects arising out of or resulting from (i) general economic, financial market or geopolitical conditions (except to the extent that such change, occurrence, circumstance or development has a significantly disproportionate adverse effect on the Company as compared to other businesses), (ii) general changes or developments in the online media industry (except to the extent that such change, occurrence, circumstance or development has a significantly disproportionate adverse effect on the Company as compared to other similarly situated businesses), (iii) the announcement of this Agreement and the transactions contemplated hereby, including any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with any customers, suppliers, distributors, partners or employees of the Company and its subsidiaries to the extent due to the announcement and performance of this Agreement or the identity of Parent, or the performance of this Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, (iv) any actions taken, or failure to take action, or such other changes or conditions, in each case, that Parent has approved, consented to or requested in writing, (v) changes in any applicable laws or regulations or applicable accounting regulations or principles or interpretations thereof after the date of this Agreement or (vi) any changes in law or GAAP (or the interpretation thereof).

(b) Each Seller has the full power and authority to enter into, execute and deliver this Agreement and the other agreements and instruments referred to in this Agreement to which such Seller is a party (the "Sellers' Additional Agreements"), and to carry out the transactions contemplated hereby and thereby

SECTION 3.02. Capitalization of the Company and Title to Shares.

(a) The authorized capitalization of the Company consists of 42,031,462 shares of Preferred Stock, of which 42,031,462 shares are outstanding and 85,000,000 shares of Common Stock, of which 36,057,462 shares are issued and outstanding. The Company Shares and Options set forth on Schedule 3.02(b) are the only issued and outstanding securities of the Company. The Company Shares have been duly and validly authorized and issued, are fully paid and non-assessable and, except as set forth on Schedule 3.02(a), are subject to no preemptive rights. To the knowledge of the Company the Company Shares are owned free and clear of all Liens, agreements, limitations in voting rights (to the extent such stock has voting rights), transfer restrictions, charges, or other encumbrances of any nature whatsoever except as set forth in Schedule 3.02(a).

(b) Schedule 3.02(b) sets forth (i) with respect to each holder of Company Shares, such holder's name and number and class of Company Shares held, and (ii) with respect to each Option Holder, the Option Holder's name, number of Options held and the exercise prices of such Options. Except as set forth on Schedule 3.02(b), there are not outstanding: (i) any options, warrants or other rights relating to the issued or unissued shares (or other equity interests) of the Company to which the Company is a party or obligating the Company to issue or sell any shares of, or other equity interests in, the Company, (ii) any securities convertible into or exchangeable for shares of capital stock of the Company; (iii) any other commitments of any kind to which the Company is a party, or by which the Company is bound, for the issuance of any additional securities.

(c) Except as set forth on Schedule 3.02(c), there are no obligations, contingent or otherwise, of the Company to repurchase, redeem, or otherwise acquire any shares (or other equity interests) of the Company. Except as set forth in Schedule 3.02(c), there are not any shareholder agreements, including, without limitation, relating to registration rights, investor rights, co-sale, rights of first refusal, preemptive rights, voting agreements or other similar agreements or understandings (collectively, the "Stockholder Rights Agreements") to which any stockholder or the Company is a party or is bound. At the Closing, all of the Stockholder Rights Agreements set forth in Schedule 3.02(c) shall have been or shall be terminated and shall thereafter be void and of no affect.

SECTION 3.03. Corporate Documents.

(a) Except as set forth on Schedule 3.03(a) of the Disclosure Schedule, the Company does not and has not conducted its business by or through any division or affiliate or under any fictitious, assumed or other name other than the name of the Company.

(b) Except as set forth on Schedule 3.03(b), as of the Closing Date the Company will not own, and the Company has never owned, directly or indirectly, any interest or investment (whether equity or debt) in any corporation, partnership, limited liability company, joint venture or other business enterprise or other entity.

(c) The Company has delivered to Parent true, correct and complete copies of the Certificate of Incorporation (including all amendments thereto) and Bylaws as are now in effect and as will be in effect immediately prior to the Effective Time. The minute books of the Company contain true, correct and complete records of all material meetings and consents in lieu of meetings of the Board of Directors (and any committees thereof) and of the stockholders of the Company since the date of incorporation and accurately reflect all transactions referred to in such minutes and consents in lieu of meeting. The stock books of the Company are true, correct and complete.

(d) Schedule 3.03(d) sets forth the names of each of the current officers and directors of the Company.

SECTION 3.04. Authorization of Agreement.

(a) The execution, delivery and performance by the Company of this Agreement and Company Additional Agreements (as defined in section 3.01) and the consummation by the Company of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate and other action of the Company, and, other than stockholder approval required by the Certificate of Incorporation, Bylaws, the DGCL and this Agreement, no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or any Company Additional Agreements or to consummate the transactions contemplated hereby or thereby. This Agreement and the Company Additional Agreements have been duly and validly executed and delivered by the Company and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the rights of creditors generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).The execution, delivery and performance by the Sellers of this Agreement and Sellers' Additional Agreements and the consummation by the Sellers of the transactions contemplated hereby and thereby, have been authorized by each Seller, no other actions on the part of any Seller are necessary to authorize this Agreement or any Seller Additional Agreements or to consummate the transactions contemplated hereby or thereby. This Agreement and the Sellers Additional Agreements have been duly and validly executed and delivered by each Seller and constitute legal, valid and binding obligations of such Seller, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the rights of creditors generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.05. No Conflicts. Except as set forth on Schedule 3.05, neither the execution, delivery or performance of this Agreement or any of the Company Additional Agreements, nor the consummation by the Company of the transactions contemplated hereby or thereby, nor compliance by the Company with the terms and provisions hereof or thereof, will (i) conflict with the certificate of incorporation, by-laws, or other valid instrument of creation, formation, or organization ("Formation Documents"), as the case may be, of any of the Company, (ii) conflict with, or result in the 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, modification or suspension of, or accelerate the performance required by the terms, conditions or provisions of, any note, bond, mortgage, indenture, license, lease, agreement, commitment or other instrument to which the Company is a party or by which any of the foregoing is bound; (iii) constitute a violation by the Company of any law, statute, judgment, ruling, order, writ, injunction, decree, rule or regulation of any court or governmental authority applicable to any of the foregoing, the Company Shares; or (iv) result in the creation of any Lien upon any of the Company Shares.

SECTION 3.06. No Consents. No 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 the Company of this Agreement or any of the Company Additional Agreements other than as set forth on Schedule 3.06 (the "Required Government Consents"). Except as set forth on Schedule 3.06, no approval or consent of any other Person is required in connection with the execution and delivery by the Company or the Sellers of this Agreement, the Company Additional Agreements, the Seller Additional Agreements and the consummation and performance by the Company and the Sellers of the transactions contemplated hereby and thereby.

SECTION 3.07. Compliance with Laws. The Company is in compliance with all applicable statutes, laws, rules, regulations, orders and ordinances of any governmental authority ("Laws"), as such laws apply to the Company. Neither the Company nor Sellers has received any written notice that any investigation regarding any violations of applicable laws by the Company by a governmental authority.

SECTION 3.08. Permits. Except as set forth on Schedule 3.08, (i) the Company possesses all certificates, licenses, permits, authorizations and approvals from any court or governmental authority ("Permits") necessary to enable it to own, lease, operate or use its properties or assets and to carry on the Business as presently conducted, and the Company is in compliance with the terms and conditions thereof, and (ii) none of such Permits would reasonably be expected to be subject to suspension, modification, revocation, or non-renewal as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

SECTION 3.09. Litigation. There are no actions, suits, inquiries (except with respect to Third Party Content), proceedings or investigations pending or, to the knowledge of the Company, threatened (except with respect to Third Party Content), before any court or governmental or administrative body or agency against the Company. The Company is not aware of any dispute with any Person under contract with the Company that would reasonably likely have a Material Adverse Affect on the Company's assets, business, operations or condition (financial or otherwise). There are no actions, suits, claims or proceedings pending or, to the knowledge of the Company, threatened that would give rise to any right of indemnification on the part of any past or present director or officer of the Company or the heirs, executors or administrators of such director or officer against the Company or any successor to its businesses.

SECTION 3.10. No Brokers. Except as set forth on Schedule 3.10, the Company has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees or commissions in connection with the transactions contemplated by this Agreement for which the Company is liable.

SECTION 3.11. Organization and Authority of the Company. The Company 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 carry on its business as currently conducted.

SECTION 3.12. Financial Statements.

(a) Audited financial statements for the Company for each of the years ended December 31, 2005, December 31, 2006, and December 31, 2007 (the "Audited Financial Statements") have been made available to Parent. Attached as Schedule 3.12(a) are: (a) the unaudited consolidated statements of income (including the supporting materials thereto) for the Company for the ten (10) month period ended October 31, 2008; and (b) the unaudited consolidated balance sheet of the Company as at October 31, 2008 (together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements have been prepared from books and records maintained in good faith by the Company consistent with past practice and in accordance with generally accepted accounting principles ("GAAP"). The Financial Statements are complete and correct in all material respects and fairly present the consolidated financial condition and the consolidated results of operations of the Company for the periods and as of the dates indicated.

(b) The Audited Financial Statements read in conjunction with GAAP, fairly and accurately summarizes in all material respects the accounting principles used by the Company in the preparation of the Financial Statements (the "Accounting Principles"), including, without limitation, those principles and policies related to sales and revenue recognition, accounts receivable, bad debt reserves, depreciation, capital expenses and liabilities.

(c) The Company maintains accurate books and records reflecting its assets and liabilities.

SECTION 3.13. Undisclosed Liabilities. Except for liabilities: (a) disclosed or reflected, or reserved or accrued for, in the Financial Statements or (b) as set forth on Schedule 3.13; or (c) incurred in the ordinary course of business consistent with past practice since December 31, 2007, the Company is not subject to any material direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise ("Liabilities") whether due or to become due.

SECTION 3.14. Intellectual Property.

(a) Schedule 3.14(a) sets forth all websites, patents, domain names, registered copyrights, and registered trademarks, service marks and trade names, and all pending applications for any of the foregoing, owned by the Company. In addition, Schedule 3.14(a) sets forth all other intellectual property, including all databases and software that are licensed to, or utilized by, the Company other than (i) off-the-shelf software, (ii) click-to-accept licensed software or (iii) other licensed software that is not material to the Company. The items required to be set forth on Schedule 3.14(a) together with any trade secrets, know-how, confidential information or other intellectual property of the Company are collectively referred to as the "Company Intellectual Property." Schedule 3.14(a) identifies for each item listed whether such item is owned or licensed by the Company. To the extent Schedule 3.14(a) identifies any patents, registered copyrights, or registered trademarks, service marks or trade names, Schedule 3.14(a) identifies for each such item its registration, serial or other identifying number, the

applicable jurisdiction and the date of issuance, registration or filing of each such item. The intellectual property identified on Schedule 3.14(a), along with all (i) off-the-shelf software, (ii) click-to-accept licensed software or (iii) other licensed software that is not material to the Company, constitutes all of the intellectual property used or held for use by the Company. All of the patents, domain names, registered copyrights, and registered trademarks, service marks and trade names held for use by the Company are, to the knowledge of the Company, valid and enforceable in their respective jurisdictions. To the extent any Company Intellectual Property includes trade secrets, know-how, or other confidential information, such trade secrets, know-how or confidential information have been securely kept and is such that a Person generally familiar with the area to which the trade secret, know-how or confidential information relates could implement the same.

(b) Except relating to content licensed by the Company from third parties pursuant to license agreements disclosed by the Company on the Schedules hereto (such content referred to herein as "Third Party Content"), and except as set forth in Schedule 3.14(b), the Products, Company Intellectual Property and business operations of the Company do not, to the knowledge of the Company, violate or infringe any trade name, trademark, copyright, patent or any other proprietary right of any third party. The rights of the Company in the Products and the Company Intellectual Property are free and clear of any Liens except for rights of licensors or licensees as set forth in the agreements therewith which are required to be disclosed hereunder. Except relating to Third Party Content, and except as set forth in Schedule 3.14(b), the Company has not in the past two (2) years received any written notice of any adversely held patent, invention, copyright, trademark, service mark or trade name from any other Person or written notice of any claim from any other Person relating to any of the Products or Company Intellectual Property. The Company is the applicant of record in all pending applications for Company Intellectual Property, and except as set forth in Schedule 3.14(b), no opposition, extension of time to oppose, interference, rejection or refusal to register is pending in connection with any such application. Except as to customers of the Company licensing Products in the ordinary course of business pursuant to valid agreements disclosed on Schedule 3.14(a), and except for Company licensors, content providers (with respect to their content), employees, third party partners and contractors each bound by appropriate confidentiality provisions, no Person has rightful possession of, or any right to possess, any copies or use of the customer lists, data bases, source code, object code, systems documentation or other Company Intellectual Property. All software, databases and other copyrightable materials which are material to the Company's business have either been (i) licensed under the license agreements required to be listed on Schedule 3.14(a) or (ii) prepared by the Company's employees or by the Company's consultants pursuant to written work-made-for-hire or subject to assignment-of-rights provisions, and the Company is the sole owner of all of the copyrights with respect to the items created under clause (ii). To the extent any Company Intellectual Property is licensed to (as opposed to owned by) the Company, to the Company's knowledge the Company has the right to use such Company Intellectual Property on a geographic basis set forth in the applicable license agreement and such license is now and immediately following the Closing shall be valid and in full force and effect for each copy of such license used by the Company.

(c) Complete and correct copies of any source code (including all commented versions to the extent the same exist) and any user and technical documentation related to the Products and any Company Intellectual Property are kept at the Company's premises.

(d) To the Company's knowledge, none of the Products or Company Intellectual Property contains any virus, disabling or malicious code, computer instructions, circuitry or other technological means to disrupt, damage or interfere with operation of applicable software.

(e) The Company has made available to Parent written documentation evidencing the registration and licensing of each material item of third party software used by the Company. Except as otherwise noted on Schedule 3.14(a), the material third party software identified on Schedule 3.14(a) has in effect associated maintenance and support agreements related to the use thereof. The Company has made available to Parent a copy of each of such maintenance and support agreements.

(f) The Internet Protocol address for each file transfer site utilized by the Company, along with any user identification information or passwords needed for access thereto, are securely kept at the Company's premises.

(g) Except as set forth on Schedule 3.14(g), the Company does not utilize any software for which the human readable version (or source code) is available to the general public for use and/or modification from its original design free of charge or for a de minimis charge ("Open-Source Software") in conducting its business as currently conducted and as currently proposed to be conducted. The use of any Open-Source Software by the Company in conducting its business as currently conducted and as currently proposed to be conducted does not infringe upon any known rights of any third party, and does not violate any agreements, constraints, requirements or restrictions on or relating to such Open-Source Software to which the Company is a party or by which the Company is bound.

(h) The Company is in compliance in all material respects with any applicable privacy policies the Company has established. Schedule 3.14(h) lists the URL's for the Company's privacy policies applicable to any information currently used by the Company in its business.

SECTION 3.15. Contracts and Commitments.

(a) Schedule 3.15(a) lists, as of the date of this Agreement all agreements, whether written or oral, and to the extent oral, a summary of the material terms thereof is included, which are: (i) contracts and other agreements with any current or former officer, director, employee, consultant, agent or stockholder; (ii) contracts and other agreements with any labor union or association representing any employee; (iii) contracts pursuant to which the Company received annual revenue in excess of $10,000 for the year ending March 31, 2008, or reasonably expects to receive annual revenue in excess of $10,000 for the year ending March 31, 2009 ("Material Customer Contracts"),

(iv) require the expenditure of more than $25,000 in any consecutive twelve-month period after the date of this Agreement by the Company, (v) will survive the Closing governing long term indebtedness for borrowed money or any guarantee thereof to which the Company is a party; (vi) are material licensing agreements with third parties or other material agreements concerning Intellectual Property to which the Company is a party; (vii) are real property leases to which the Company is a party; (viii) are copyright licenses, royalty agreements or similar contracts; (ix) are voting trust agreements, stockholder agreements and joint venture agreements relating to the assets or business of the Company or by or to which the Company or its assets are bound or subject; and (x) all agreements under which the Company has agreed to restrict its operations as currently conducted in any respect (the items described in clauses (i) through (x) collectively, "Material Contracts").

(b) There does not exist under any Material Contract any material default, or any condition or event that, after notice or lapse of time or both, that would constitute a material default by the Company, or, to the knowledge of the Company, on the part of any other party. All Material Contracts and any other agreements referred to in this Agreement have been delivered or made available to Parent, and are valid, subsisting agreements, in full force and effect and binding upon the parties thereto in accordance with their terms and the Company has paid in full or accrued all amounts due thereunder and has satisfied in full or provided for all of its liabilities and obligations thereunder, unless there exists a potential obligation in an amount less than $1,000 which the Company, in its reasonable judgment, has contested in good faith, and is not in material default under any of them nor, to the knowledge of the Company, is any other party to any such contract or other agreement in default thereunder, nor does any condition exist which with notice or lapse of time or both would constitute a default thereunder. Except as set forth on Schedule 3.15(b), neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the 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 otherwise affect the terms of any Material Contract in a manner adverse to the Company.

SECTION 3.16. Labor and Employment Matters. The Company is not a party to any collective bargaining agreement with any labor organization or other representative of any of their employees, nor is any such agreement presently being negotiated. There is not presently (nor has there been since January 1, 2006) any petition filed by any labor organization to represent employees of the Company. There are no unfair labor practice complaints pending against the Company before the National Labor Relations Board or any other labor relations tribunal or authority. There are no strikes, work stoppages, slowdowns, lockouts, material arbitrations or material grievances, or other material labor disputes pending or, to the Company's knowledge, threatened in writing against or involving the Company.

SECTION 3.17. Employee Benefits.

(a) Schedule 3.17 (a) sets forth the following:

(i) a list of all current employees setting forth the name, position held, start date, compensation arrangements (including with respect to each employee the amount of any potential severance obligation, salary currently payable, commission arrangements and fringe benefits provided) and number of Options held (including date of grant, exercise price and vesting terms) of all employees of the Company (each, a "Company Employee");

(ii) a list of each written agreement or arrangement, including any confidentiality or non-competition agreement with a Company Employee;

(iii) each agreement with any current or former employee of the Company that dictates the terms of the employee's relationship with the Company or pursuant to which the Company has continuing obligations (individually, an "Employment Agreement," collectively, the "Employment Agreements"). Each of the offer letters referenced on Schedule 3.17(a)(iii) at No. 6 are in the form of the offer letter attached to such Schedule and none of such offer letters provide for any change of control payment, severance, or other obligation of the Company which alters the relevant employee's status as an "at will" employee; provided such offer letters do obligate the Company to provide two weeks notice of termination of the relevant employee's employment with the Company. The Company has no oral agreement with any current or former employee of the Company with respect to the terms of the employee's relationship with the Company or pursuant to which the Company has continuing obligations;

(iv) each "employee benefit plan" as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is covered by ERISA and that is maintained for the benefit of any Company Employee, former employee of the Company, independent contractors of the Company or the dependents or beneficiaries of any of them, or under which the Company has or could have any obligations (other than obligations to make current wage or salary payments or sales commissions terminable on notice of 30 days or less) or liabilities, actual or contingent, whether or not legally binding, (individually, a "Plan", collectively, the "Plans"); and

(v) each plan or arrangement, whether written or oral (excluding Employment Agreements) not subject to ERISA maintained for the benefit of any Company Employee, former employee of the Company, independent contractors of the Company or the dependents or beneficiaries of any of them, or under which the Company has or could have any obligations (other than obligations to make current wage or salary payments or sales commissions terminable on notice of 30 days or less) or liabilities, actual or contingent, whether or not legally binding, which provides for retirement benefits, termination bonuses, severance payments or benefits, change in control, termination, vacation, insurance, deferred compensation, bonuses, stock options, employee insurance coverage, fringe benefits or any similar compensation or

welfare benefit plan, policy, program or arrangement (individually, an "Employee Benefit Program"; collectively, the "Employee Benefit Programs").

(b) The Company has delivered or made available to Parent true and complete copies of all documents, as they may have been amended through the date hereof, embodying or relating to the Employment Agreements and Assumed Benefit Plans, including but not limited to Forms 5500, plan documents, insurance contracts, administrative services agreements, and other documents required under ERISA.

(c) Each Employment Agreement, Plan and Employee Benefit Program has been established and is maintained and administered in compliance in all material respects with the terms of such Employment Agreement, Plan and Employee Benefit Program and all laws applicable thereto, and the Company has not received any written notice from any governmental authority concerning such compliance.

(d) No "reportable event" (as such term is used in Section 4043 of ERISA), "prohibited transaction" (as such term is used in Section 406 of ERISA or Section 4975 of the Code) or "accumulated funded deficiency" (as such term is used in Section 412 or Section 4971 of the Code) has heretofore occurred with respect to any Plan during the past five years.

(e) Except for routine claims for benefits, no litigation or administrative or other proceedings, actions or investigations involving an Employment Agreement, Plan or Employee Benefit Program have occurred or, to the Knowledge of the Company, have been threatened and there are no facts that would reasonably be expected to give rise to any such litigation or administrative or other proceedings, actions or investigations involving an Employment Agreement, Plan or Employee Benefit Program, any fiduciary with respect to an Employment Agreement, Plan or Employee Benefit Program or the assets of a Plan or Employee Benefit Program (other than routine claims for benefits).

(f) Each Plan that is intended to comply with Section 401(a) of the Code has obtained a favorable determination letter issued by the Internal Revenue Service or is entitled to rely on a favorable opinion letter issued by the Internal Revenue Service to the effect that the Plan satisfies the requirements of Section 401(a) of the Code and that its related trust is exempt from taxation under Section 501(a) of the Code and, to the knowledge of the Company, there are no facts or circumstances that would reasonably be expected to cause the loss of such qualification or the imposition of material liability, penalty or tax under ERISA, the Code or other applicable laws (including the rules and regulations under any of them). All payments due from the Sellers or the Company with respect to any Employment Agreement, Plan, or Employee Benefit Program have been made or have been properly accrued as liabilities of the Company or the applicable Plan in accordance with the terms of such Employment Agreement, Plan, Employee Benefit Program and applicable law. In addition, all liabilities on account of any Employment Agreement, Plan and Employee Benefit Program in existence on or prior to the Closing Date have been paid or accrued, including, without limitation, liabilities related to the Company's vacation and other paid time off programs, unfunded liabilities, liability with

respect to the administration or termination of any such plan, liability with respect to any retiree's, former employee's, consultant's or director's employment or service with the Company, liability with respect to any individual receiving continuation of coverage benefits in accordance with the provisions of COBRA and State benefits continuation laws, and any accrued but unpaid claim, whether known or unknown as of the Closing, under any such Employment Agreement, Plan or Employee Benefit Program. To the extent not set forth on Schedule 2.02(a), the Company has or will have no later than the Closing Date paid all accrued salaries, bonuses, commissions and wages of the Company Employees due to be paid through the Closing Date.

(g) Except as described on Schedule 3.17(g), the Company and its ERISA Affiliates do not sponsor, maintain or contribute to, and have never sponsored, maintained, contributed to, or been obligated under ERISA or otherwise to contribute to or liability relating to (i) a "defined benefit plan" (as defined in ERISA Section 3(35) or Code Section 414(j) or any other plan subject to Title IV of ERISA, (ii) a "multi-employer plan" (as defined in ERISA Section 3(37) and 4001(a)(3)), (iii) a "multiple employer plan" (meaning a plan sponsored by more than one employer within the meaning of ERISA Sections 4063 or 4064 or Code Section 413(c)), (iv) any arrangement providing welfare benefits to any Person beyond his or her retirement or other termination of service other than coverage mandated by Part 6 of Title 1 of ERISA or Code Section 4980B or similar state law (v) a "multiple employer welfare arrangement" within the meaning of Section 3(40) of ERISA, (vi) a "voluntary employees' beneficiary association" within the meaning of Code Section 501(c)(9) or other funding arrangement for the provision of welfare benefits (such disclosure to include the amount of any such funding), or (vii) any employee benefit plan that is self-insured by the Company. For purposes of this Agreement, the term "ERISA Affiliate" shall mean any other entity which, together with the Company, would be treated as a single employer under Code Section 414 or ERISA Section 4001(b).

(h) The Company: (i) has complied in all respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to wages, hours, collective bargaining and the payment and withholding of Taxes; (ii) has withheld all amounts required by Law or agreement to be withheld from the wages or salaries of its employees, including related to payments to Option Holders and management in connection with the transactions contemplated herein, and is not liable for any arrears of wages or other Taxes or penalties for failure to comply with any of the foregoing; and (iii) has properly classified its employees for purposes of determining eligibility for overtime pay pursuant to the Fair Labor Standards Act (29 U.S.C. 201, et seq.). There are no controversies pending or, to the Knowledge of the Company, threatened between the Company, on the one hand, and any of its employees (or former employees). Except as set forth on Schedule 3.17(h), each Company Employee has executed a nondisclosure and assignment-of-rights agreement for the benefit of the Company, as the case may be.

(i) Except as set forth in Schedule 3.17(i), the consummation of the transactions contemplated by this Agreement (alone or together with any other event) will not (i) entitle any Person to any benefit under any Employment Agreement, Plan or

Employer Benefit Program (ii) accelerate the time of payment or vesting or increase the amount of any compensation or other benefit due to any Person under any Employment Agreement, Plan or Employee Benefit Program, or (iii) result in any payment or series of payments by the Company to any Person of an "excess parachute payment" (as defined in Code Section 280G) or any other payment which is not deductible for federal income tax purposes under the Code.

(j) No individual who has been classified by the Company as a non-employee (such as an independent contractor, leased employee or consultant) shall have a claim against the Company for eligibility to participate in any Plan or Employee Benefit Program if such individual is later reclassified as an employee of the Company by any applicable governmental authority. No Company Employee is a "leased employee" within the meaning of Code Section 414(n). The Company has never been bound by any collective bargaining agreement or similar agreement to maintain or contribute to any Plan or Employee Benefit Program.

(k) Except as set forth on Schedule 3.17(k), each Employment Agreement, Plan and Employee Benefit Program may be terminated or transferred as of or after the Closing without resulting in any liability to the Company for any additional contributions, penalties, premiums, fees, fines, excise taxes, or any other charges or liabilities.

(l) Each Employment Agreement, Plan and Employee Benefit Program subject to Code Section 409A (each, a "Section 409A Plan") as of the Closing Date is indicated as such on Schedule 3.17(l). Schedule 3.17(l) also sets forth each Section 409A Plan in connection with which the Company or it successors may have liability with respect to current or former Company employees, independent contractors and/or directors. No Section 409A Plan has assets set aside directly or indirectly in the manner described in Code Section 409A(b)(1) or contains a provision that would be subject to Code Section 409A(b)(2). Each Section 409A Plan has been administered in good faith compliance with Code Section 409A for the period beginning January 1, 2005 through the Closing Date.

(m) The Company has terminated the employment of all employees of the Company who are not Company Employees no later than immediately prior to Closing.

SECTION 3.18. Tax.

(a) Except as described on Schedule 3.18, the Company represents and warrants to Parent that: (i) all Returns and reports required to be filed with the Internal Revenue Service (the "IRS") or any federal, state, local or foreign taxing authority (together with the IRS a "Taxing Authority") with respect to any tax period ending on or before the Closing Date (each a "Pre-Closing Tax Period") by or on behalf of the Company and any consolidated, combined, unitary or similar group of which the Company is or was a member (individually, a "Return", collectively, the "Returns") have,

to the extent required to be filed on or before the date of this Agreement, been or will be filed when due in accordance with all applicable laws and taking into account all extensions of due dates; (ii) all Taxes due and payable on the Returns that have been filed have been timely paid to the appropriate Taxing Authority, and all of such Returns are true and complete in all material respects; (iii) no deficiencies for any Taxes have been proposed or assessed in writing against or with respect to the Company; and (iv) there are no liens for Taxes upon the assets of the Company except statutory liens for current Taxes not yet due and payable. For purposes of this agreement, "Tax" or "Taxes" means all taxes, charges, fees, levies, or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, severance, stamp, occupation, occupancy, rent, transaction, property or other taxes, customs, duties, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any Taxing Authority.

(b) The Company has not agreed to any extension or waiver of the statute of limitations period applicable to any Return, or agreed to any extension of time with respect to a Tax assessment or deficiency which period (after giving effect to such extension or waiver) has not yet expired.

(c) The Company is not a party to any Tax allocation, indemnity or sharing agreement, and the Company not has assumed the Tax liability of any other Person under any contract.

(d) The Company has timely withheld and paid all Taxes required to have been withheld and paid, including payroll, sales, use, and excise Taxes.

(e) There are no audits, administrative proceedings, or court proceedings currently pending or, to the Knowledge of the Company, threatened with respect to the Company in respect of any Tax.

(f) The Company (i) has not been a member of an affiliated group of corporations within the meaning of Section 1504 of the Code or a member of an affiliated, combined, consolidated, unitary or similar group under any similar provision of law or (ii) has no liability for Taxes of any Person (other than the Company) under Treasury Regulation Section 1.1502-6 (or any similar provision of foreign, state or local law), as a transferee or successor, by contract or otherwise.

(g) The Company has given Parent an opportunity to review correct and complete copies of all Tax Returns filed by or with respect to the Company for all taxable periods ending after December 31, 2004. The Company had no net operating loss, net capital loss, unused investment or other credit, unused foreign tax credit or excess charitable contribution allocable to the Company as of December 31, 2007 except as set forth on the Company's Tax Returns and Financial Statements and as may be affected by a cancellation or dividend of that certain Promissory Note, dated as of April 30, 2008, owed to the Company by Newser (the "Note") or the divestiture of the Company's ownership interest in Newser.

(h) The Company has not made any payments, or is not and will not be obligated to make any payments due to the transactions contemplated hereby, that would result in an "excess parachute payment" within the meaning of Section 280G of the Code.

(i) The Company has not engaged in any "reportable transaction" for purposes of Treasury Regulation sections 1.6011-4(b) or 301.6111-2(b) or any analogous provision of state or local law.

(j) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date, (B) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax law) executed on or prior to the Closing Date, (C) intercompany transaction or excess loss account described in United States Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or foreign Tax law), (D) installment sale or open transaction disposition transaction made on or prior to the Closing Date, or (E) prepaid amount received on or prior to the Closing Date.

(k) The Company has not constituted either a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (A) in the two (2) years prior to the date of this Agreement or (B) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Merger.

(l) The Company does not own, directly or indirectly, any interests in an entity that has been or would be treated as a "passive foreign investment company" within the meaning of Section 1297 of the Code or as a "controlled foreign corporation" within the meaning of Section 957 of the Code. The Company is not and has never been a "personal holding company" within the meaning of Section 542 of the Code.

(m) The unpaid Taxes of the Company did not, as of the date of this Agreement, exceed the reserve for actual Taxes (as opposed to any reserve for deferred Taxes established to reflect timing differences between book and Tax income) as shown on the Financial Statements, and will not exceed such reserve as adjusted for the passage of time through the Closing Date in accordance with the reasonable past custom and practice of the Company in filing Returns. The Company will not incur any liability for Taxes from the date of this Agreement through the Closing Date other than in the ordinary course of business and consistent with reasonable past practice or in connection with the exercise of Options, the payment of the Seller Payables and Transaction Expenses, the cancellation or dividending of the Note or the divestiture of the Company's ownership interest in Newser.

(n) Schedule 3.18 contains a list of all jurisdictions (whether foreign or domestic) to which any Tax is properly payable or has been paid by the Company since January 1, 2007. To the Knowledge of the Company, no claim has ever been made by a Tax Authority in a jurisdiction where the Company does not file Returns that the Company is or may be subject to Tax in that jurisdiction. The Company does not have and has never had a permanent establishment or other taxable presence in any foreign country, as determined pursuant to applicable foreign law and any applicable Tax treaty or convention between the United States and such foreign country.

(o) For purposes of this Section 3.18 and Section 5.13, any reference to the Company shall be deemed to include any Person that has prior to the date hereof merged with or was liquidated into the Company.

SECTION 3.19. Absence of Certain Changes.

(a) Except as and to the extent set forth in Schedule 3.19 (in certain cases by cross-reference to other sections of the Disclosure Schedules) or changes or actions following the date of this agreement and prior to the Closing consented to in writing by Parent (such consent not to be unreasonably withheld, delayed or denied), since June 30, 2008, the Company has not:

(i) redeemed or purchased, directly or indirectly, any Company Shares or paid any dividends with respect to any Company Shares except to the extent that the Note has been dividended;

(ii) issued, sold, granted or transferred any of its equity securities, securities convertible into its equity securities or warrants, options or other rights to acquire its equity securities, or any bonds or other securities issued by it;

(iii) incurred any obligations or liabilities of more than $50,000 in any one case, or $250,000 in the aggregate (whether absolute, accrued or contingent and whether due or to become due) except in the ordinary course of business consistent with past practice;

(iv) written off as uncollectible any notes or accounts receivable, or any portion thereof in excess of $10,000 in any one case, or $25,000 in the aggregate, except in the ordinary course of business consistent with past practice;

(v) sold, transferred, leased, mortgaged, pledged or granted any Lien upon any properties or assets, whether real, Personal, fixed, tangible or intangible, for aggregate consideration in excess of $25,000 in any one case or $100,000 in the aggregate, except in the ordinary course of business consistent with past practice;

(vi) made any change in any accounting practice, principle, policy or method, except as required by law or a change in accounting standards,

that are material, or would reasonably be expected to be material, to the Company, individually or in the aggregate;

(vii) modified or amended any Material Contracts or waived any material rights or obligations thereunder, except in the ordinary course of business consistent with past practice;

(viii) agreed, whether in writing or otherwise, to take any action referred to in this Section 3.19 in the future;

(ix) paid or agreed to pay any bonuses, increase in salaries or other compensation, by the Company to any of its respective directors, officers, or employees, except for bonus awards and increases in salaries made in the ordinary course of business consistent with the Company's past practices, and the Company has not entered into any severance or similar agreement with any employee;

(x) entered into any contract or agreement that is a Material Contract other than Material Customer Contracts entered into in the ordinary course of business consistent with past practices;

(xi) modified its organizational documents or merged with or into or consolidated with, or agreed to merge with or into or consolidate with, any other Person; subdivided or in any way reclassified, or agreed to subdivide or in any way reclassify, any shares of its capital stock; or changed, or agreed to change, in any manner the rights of its outstanding capital stock or the character of its business;

(xii) made, or agreed to make, any loan or advance to any of its stockholders, officers, directors, employees, consultants, agents or other representatives, or made, or agreed to make, any other loan or advance other than in the ordinary course of business, except for the Note;

(xiii) except in the ordinary course of business: entered into, or agreed to enter into, any lease (as lessor or lessee); other than for fair market value, sold, abandoned or made, or agreed to sell, abandon or make, any other disposition of any of its assets; granted or suffered, or agreed to grant or suffer, any Lien on any of its assets or properties; entered into or amended, or agreed to enter into or amend, any contract or other agreement to which it is a party or by or to which it or its Assets are bound or subject, or pursuant to which it agrees to indemnify any party;

(xiv) entered into, or agreed to enter into, any contract or agreement pursuant to which it agrees to refrain from competing with any party;

(xv) except for inventory or equipment acquired in the ordinary course of business, made, or agreed to make, any acquisition of all or any part of

the assets, capital stock or business of any other Person, or made any commitments to do any of the foregoing;

(xvi) suffered or incurred any damage, destruction or loss (whether or not covered by insurance) materially adversely affecting its assets, properties, business, operations or condition (financial or otherwise);

(xvii) repaid any Indebtedness other than regularly scheduled installments of principal; or

(xviii) failed to operate its business other than in the ordinary course.

(b) Since June 30, 2008, there has not been a Material Adverse Effect.

SECTION 3.20. Transactions with Affiliates. Except as set forth on Schedule 3.20, no Related Party (i) has borrowed money from or loaned money to the Company that is currently outstanding or otherwise has any cause of action or claim against Company, (ii) has any direct or indirect ownership interest in any property or asset used by the Company in the conduct of the Business except through such Person's ownership of equity interests in the Company, (iii) does not have any material financial interest in any competitor, customer or client of the Company or (iv) is a party to any agreement or is engaged in any ongoing transaction or business relationship with the Company other than employment in the ordinary course of the Business. For purposes of this Section 3.20, "Related Party" means (i) any shareholder, director, officer, employee, consultant or agent of the Company, (ii) any members of the immediate family of any Person described in clause (i), and (iii) any entity that is controlled by, controls or is under common control with any Person described in clauses (i) or (ii).

SECTION 3.21. Insurance. Schedule 3.21 sets forth a list of the insurance policies held by, or for the benefit of, the Company including the underwriter of such policies and the amount of coverage thereunder. All premiums with respect to such policies are currently paid and such policies are in full force and effect. There are no pending claims against such insurance policies as to which insurers have denied liability and there exist no claims that have not been timely submitted by the Company to the appropriate insurers.

The insurance policies set forth on Schedule 3.21 are in force in amounts and with retentions and deductibles and covering such risks as are, in the Company's reasonable judgment, in accordance with reasonable business practices. Except as set forth on Schedule 3.21, such policies shall remain in full force and effect after the Closing Date.

SECTION 3.22. Environmental Matters.

(a) Except as set forth in Schedule 3.22(a), Company has not engaged in any operation upon real property leased or owned by the Company (the "Real Property") for the purpose of the handling, manufacture, treatment, storage, use or generation of any Hazardous Materials (as hereinafter defined), except for such quantities handled, manufactured, treated, stored, used or generated in compliance with Environmental Laws in connection with the normal operation and maintenance of such Real Property in the ordinary course of business. There has

not been any Release of Hazardous Materials (i) by the Company on, in, under or from any Real Property or (ii) to the knowledge of the Company, by any other Person on, in, under or from any real property formerly owned, leased or operated by the Company, which has created or would reasonably be expected to create any liability for the Company under Environmental Law.

(b) Except as set forth in Schedule 3.22(b), there are no actions, suits, claims, arbitration proceedings, or complaints pending or, to the knowledge of the Company, threatened by any governmental authority, municipality, community, citizen, or other entity, against the Company in which it is alleged, nor has the Company received written notice of any allegation, that it or any of its assets or Real Property or any real property formerly owned, leased or operated by the Company is in violation of or subject to any liability or potential liability or clean-up obligation under any Environmental Law. The Company has not been notified that it is potentially liable under or received any requests for information concerning any site or facility under CERCLA or any similar Environmental Law. To the Knowledge of the Company, there are not NEPA environmental assessments pending at any governmental authority regarding any Real Property as of the date of this Agreement.

(c) Except as set forth in Schedule 3.22(c)(i), the Company is in compliance with all Environmental Laws (as hereinafter defined) relating to its leased or owned real properties or to the business of the Company, except as would not have a Material Adverse Effect. Except as set forth in Schedule 3.22(c)(ii), and except as would not have a Material Adverse Effect, the Company has not received any written communication relating to any of its Real Property, from any governmental authority alleging that the Company is not in such full compliance.

(d) Schedule 3.22(d) contains a true, complete and accurate listing of, and the Company has delivered, or caused to be delivered, to the Parent true and complete copies of, all environmental site assessments, test results, analytical and other environmental reports and studies conducted by, at the expense of, or on behalf of the Company, or that are otherwise in its possession or control.

(e) "Environmental Laws" means all applicable federal, state, local and foreign laws (including, without limitation, common law), statutes, codes, ordinances, reporting or licensing requirements, rules and regulations relating to pollution or protection of the environment (including, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation: (i) such laws and regulations relating to emissions, discharges, disposal, releases or threatened releases of Hazardous Materials into the environment; (ii) the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA"); (iii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., ("RCRA"); (iv) the National Environmental Policy Act, 41 U.S.C. 4321, et seq. (1960), as amended ("NEPA"); (v) the Emergency Planning and Community Right to Know Act (41 U.S.C. §§ 11001 et seq.); (vi) the Clean Air Act (42 U.S.C. §§ 7401 et seq.); (vii) the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); (viii) the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); (ix) the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.); (x) any amendments

to the statues, laws or ordinances listed in parts (ii) – (ix) of this subparagraph, regardless of whether in existence on the date hereof; and (xi) any rules, regulations, guidelines, directives, or orders adopted or issued pursuant to or implementing the statutes and amendments listed in parts (ii) – (x) of this subparagraph.

(f) "Hazardous Materials" means any chemical, substance, waste, material, pollutant, or contaminant defined as or deemed hazardous or toxic or otherwise regulated under any Environmental Law, including, without limitation, RCRA hazardous wastes, CERCLA hazardous substances, pesticides and other agricultural chemicals, oil and petroleum products or byproducts and any constituents thereof, urea formaldehyde insulation, mold, lead in paint or drinking water, radon, asbestos, and polychlorinated biphenyls (PCBs).

(g) "Release" shall have the same meaning ascribed thereto under CERCLA Section 101(22), except that it shall apply to any and all Hazardous Materials, not just CERCLA hazardous substances.

SECTION 3.23. Property; Title to Assets.

(a) The Company has good and marketable title to, or a valid and binding leasehold interest in, the material personal property pertaining to its business, except for properties or assets sold or otherwise disposed of in the ordinary course of business since the date of the Financial Statements, free and clear of all defects, Liens, charges and other encumbrances, except (i) as set forth on Schedule 3.23(a); (ii) as disclosed in the Financial Statements; (iii) liens for taxes, assessments and other governmental charges not yet due and payable or, if due, (A) not delinquent or (B) being contested in good faith by appropriate proceedings; (iv) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other like liens arising or incurred in the ordinary course of business if the underlying obligations are not past due; (v) liens or title retention arrangements arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; and (vi) other liens, charges or other encumbrances which would not have a Material Adverse Effect.

(b) The Company does not own any real property. Schedule 3.23(b) sets forth a list and summary description of all leases, subleases or other agreements under which the Company is lessor or lessee of any real property. The Company, as indicated, is the owner of record or lessee under the leases as set forth on Schedule 3.23(b). Such leases, subleases and other agreements have been delivered or made available to Parent and are valid, subsisting agreements, in full force and effect and binding upon the parties thereto in accordance with their terms and the Company is not in default and has not received any notice of any default thereunder. The Company's leasehold interests are subject to no Liens (other than Permitted Liens) and enjoy a right of quiet possession as against any Lien on the property except for any rights of its lessor's lender if any. Except as set forth on Schedule 3.23(b), no Stockholder owns, directly or indirectly, any interest in any real property, building or other structure used or occupied by the Company. As used herein "Permitted Liens" shall mean (i) statutory liens for current Taxes or other governmental charges with respect to the Company's Assets not

yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company and for which appropriate reserves have been established on the Company's Books and Records in accordance with GAAP; (ii) zoning, entitlement, building and other land use regulations imposed by governmental agencies having jurisdiction over the real property which are not violated by the current use and operation of the real property; (iii) mechanics', carriers', workers', repairers' and similar statutory liens arising or incurred in the ordinary course of business for amounts which are not delinquent and which are not, individually or in the aggregate, significant or which are being contested by appropriate proceedings; (iv) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the leased real property which do not materially impair the occupancy or use of the leased real property for the purposes for which it is currently used in connection with the Company's business; and (v) easements for public utilities or drainage easements in favor of governmental authorities affecting the real property, provided the same do not adversely affect the current use and operation of the real property.

(c) Except as set forth on Schedule 3.23(c), as of the Closing, the Company shall have title to all of the assets necessary to conduct the Business as it has been conducted during the period ended on the Closing Date.

SECTION 3.24. Products; Product Pricing. Schedule 3.24 sets forth a true and complete list of the major products or services of the Company currently sold or offered for sale by the Company or third parties (collectively, the "Products").

SECTION 3.25. Suppliers; Customer Lists.

(a) Schedule 3.25(a) contains an accurate and complete list of the content providers of the Company (based upon obligations paid and owed by the Company) for each of the calendar year ended December 31, 2007 and for the eleven month period immediately preceding the date on which this Agreement is executed who have been paid more than $25,000 by the Company (each a "Key Supplier" and, collectively, the "Key Suppliers"). Except as set forth on Schedule 3.25(a), the Company has not received any written notice from any Key Supplier of any fact, condition or event (including, without limitation, the consummation of the Merger and the other transactions contemplated hereby) which would adversely affect the relationship of the Company with its customers or suppliers generally or with any Key Supplier required to be identified in Schedule 3.25(a).

(b) The customer lists of the Company have been made previously available to the Parent and the Buyer and such customer lists are believed to accurately contain the name and address, expiration date, payment amount, date of payment, and subscription amount due of each customer.

SECTION 3.26. Contractor Matters. Schedule 3.26 contains a complete and accurate listing of the name (if an entity, including the name of the individuals at such entity) and contact information for each independent contractor, consultant or freelancer used by the Company at any point during the prior two (2) years for which the Company has paid greater

than $1,000 during such engagement (collectively, "Contractors") indicating those currently providing services and those with whom the Company has current agreements for terms of longer than 1 year, and which may not be terminated, without cause or penalty, on less than 60 days notice. To the knowledge of the Company, no Contractor used by the Company is a party to, or is otherwise bound by, any agreement or arrangement with any third party, including any confidentiality or non-competition agreement, that in any way adversely affects or restricts the performance of such Contractor's duties for the Company. Except as set forth on Schedule 3.26, each Contractor ever retained by the Company to create, modify or work with respect to Company Intellectual Property (as defined in Section 3.14(a)) has executed a nondisclosure and assignment-of-rights agreement for the benefit of the Company, as the case may be. To the Company's knowledge, no current Contractor used by the Company intends to terminate his or her or its relationship with the Company.

SECTION 3.27. Accounts Receivable; Accounts Payable.

(a) All accounts receivable of the Company reflected in the Financial Statements or which have arisen after the date of the Financial Statements have arisen from bona fide transactions in the ordinary course of business and are enforceable and represent valid obligations owed to the Company. There is no contest, claim or right of set-off relating to the amount or validity of any accounts receivable. Collection of the accounts receivable of the Company through the date hereof has been and is consistent with the past business practices. The Company has no reason to believe that collection of accounts receivable will be materially different than what has historically been customary for the Company.

(b) All Indebtedness reflected in the Financial Statements or which has arisen after the date of the Financial Statements has arisen in the ordinary course of business and represents valid Indebtedness of the Company. As used herein, the term "Indebtedness" means all items which, in accordance with GAAP, would be included in determining total liabilities as shown on the liability side of a balance sheet as at the date Indebtedness is to be determined. There are no agreements of any kind between the Company and any Person relating to Indebtedness for borrowed money, including, without limitation, credit agreements, lines of credit, notes, security agreements and other similar agreements.

SECTION 3.28. Banks, Brokers and Proxies. Schedule 3.28 sets forth: (a) the name of each bank, trust company and securities or other broker or other financial institution with which the Company maintains relations; (b) the name of each Person authorized by the Company to effect transactions therewith or to have access to any safe deposit box or vault; (c) all proxies, powers of attorney or other like instruments to act on behalf of the Company in matters concerning its respective business or affairs; and (d) all charge accounts held in the name of the Company and the name of each director, officer, employee or other Person authorized by the Company to use such charge accounts. All such accounts, credit lines, safe deposit boxes and vaults are maintained by the Company for normal business purposes, and no such proxies, powers of attorney or other like instruments are irrevocable.

SECTION 3.29. Current Liabilities; Indebtedness.

(a) As of the date hereof and as of the Effective Time, the Company has not received from any vendor or other Person any invoice or other claim for payment which would under GAAP or the Accounting Principles be properly classified as a payable or current liability except as set forth on Schedules 2.02(a) or 2.02(b). Sellers and the Stockholder Representative hereby acknowledge that any payable or current liability of the Company arising from facts occurring prior to the Effective Time but not set forth on Schedules 2.02(a) or 2.02(b) is the responsibility of Sellers and subject to an adjustment to the Merger Consideration as set forth in section 2.02 hereof.

(b) As of the date hereof and as of the Effective Time, the Company has no Indebtedness.

SECTION 3.30. No Other Representations and Warranties. Except for the express representations and warranties contained in this Agreement, the Schedules hereto and the documents to be delivered at Closing pursuant to Section 6.02 (collectively, the "Transaction Documents"), none of the Sellers, the Company and each of their respective stockholders, partners, directors, officers, employees, affiliates, advisors, agents, representatives nor any other Person has made or is making any other representations or warranties whatsoever, express or implied, including but not limited to any implied warranty or representation as to condition, merchantability or suitability of any of the property or assets of the Company or the financial performance, whether in the past or the future, of the Company.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND NEWCO

Parent and Newco jointly and severally represent and warrant to the Company and Stockholders as follows:

SECTION 4.01. Organization of Parent. Each of Parent and Newco 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 the other agreements and instruments referred to in this Agreement to which Parent is a party (the "Parent's Additional Agreements"), and to carry out the transactions contemplated hereby and thereby.

SECTION 4.02. Authorization of Agreement. The execution, delivery and performance by Parent and Newco of this Agreement and Parent's Additional Agreements and the consummation by Parent and Newco of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate and stockholder action of Parent and Newco. This Agreement and Parent's Additional Agreements have been duly executed and delivered by Parent and Newco and constitute legal, valid and binding obligations of Parent and Newco, enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the rights of creditors generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.03. No Conflicts. Neither the execution, delivery or performance of this Agreement or any of Parent's Additional Agreements, nor the consummation by Parent or Newco of the transactions contemplated hereby or thereby, nor compliance by Parent or Newco with the terms and provisions hereof or thereof will: (i) conflict with the Formation Documents of Parent or Newco; (ii) conflict with, or result in the 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 note, bond, mortgage, indenture, license, lease, agreement, commitment or other instrument to which Parent or Newco is a party or by which Parent or Newco is bound; or (iii) constitute a violation by Parent or Newco of any law or statute or any judgment, ruling, order, writ, injunction, decree, rule or regulation of any court or governmental authority applicable to Parent or Newco; except, in the case of clauses (ii) and (iii) above, for such conflicts, defaults, breaches, terminations, suspensions or acceleration, of performance which, taken as a whole, would not reasonably be expected to prevent, impede or materially delay Parent's or Newco's ability to consummate the transactions contemplated by this Agreement or Parent's Additional Agreements.

SECTION 4.04. No Consents. No 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 Parent or Newco of this Agreement or any of Parent's Additional Agreements other than filings required under the HSR Act and receipt of the Required Government Consents.

SECTION 4.05. Litigation. There are no actions, suits, inquiries, proceedings or investigations pending, or, to Parent's knowledge, threatened before any court or governmental or administrative body or agency against Parent or Newco relating to the transactions contemplated by this Agreement or the Parent's Additional Agreements or that would reasonably be expected to prevent, impede or materially delay Parent's or Newco's ability to consummate the transactions contemplated by this Agreement or Parent's Additional Agreements.

SECTION 4.06. No Brokers. Neither Parent nor Newco has incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees or commissions in connection with the transactions contemplated by this Agreement.

SECTION 4.07. Ownership of Newco; No Prior Activities. Newco is a direct wholly-owned subsidiary of Parent. Newco was formed solely for the purpose of engaging in the transactions contemplated hereby and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated by this Agreement. All issued and outstanding shares of capital stock of Newco are owned of record and beneficially by Parent.

SECTION 4.08. No Knowledge of Breach. As of the date of this Agreement, the individual whose name is set forth on Schedule 4.08 is not intentionally withholding from Sellers any information, of which he has actual knowledge, that any of the

representations or warranties contained in Article III is untrue or incorrect in any material respect.

SECTION 4.09. Financial Ability. Parent and Newco have sufficient funds available to them to pay the Merger Consideration at the Closing and to consummate the transactions contemplated by this Agreement and the Parent's Additional Agreements.

ARTICLE V

FURTHER AGREEMENTS OF THE PARTIES

SECTION 5.01. Intentionally Omitted.

SECTION 5.02. Intentionally Omitted.

SECTION 5.03. Expenses. Each of Parent, the Company and Sellers shall bear its and their own respective expenses incurred in connection with the negotiation and preparation of this Agreement, Parent's Additional Agreements, Sellers' Additional Agreements and the Company Additional Agreements (collectively, the "Additional Agreements"), making any governmental filings required to consummate the transactions contemplated hereby 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 Agreement and the Additional Agreements except as may otherwise be provided herein.

SECTION 5.04. Intentionally Omitted.

SECTION 5.05. Plans and Employee Benefit Programs. Effective immediately prior to the Closing Date, the Company shall (i) amend each Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "Qualified Plan") and any other Plans and Employee Benefit Programs that Newser LLC intends to continue to change the plan sponsor from the Company to Newser LLC and terminate Company's participation in such Plans and assign to Newser LLC any and all contracts and other agreements relating to the administration and funding of the benefits under such Plans and Employee Benefit Programs and (ii) terminate all other Plans and Employee Benefit Programs other than the insured plans providing medical, dental, vision, life insurance, long-term care and long-term disability benefits. Company shall continue to maintain the insured medical, dental, vision, life insurance, long-term care and long-term disability plans ("Assumed Benefit Plans") after the Closing Date in accordance with the terms of the Assumed Benefit Plans; provided that the third party insurers of such Assumed Benefit Plans do not materially alter the terms thereof as a result of the Closing; provided further that nothing herein shall require Company to continue such Assumed Benefit Plans beyond the earlier to occur of (i) the effective date of the medical plan to be established by Newser for its employees or (ii) February 28, 2009. Company shall be responsible for providing continuation of benefits coverage in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B benefits under the Assumed Plans from the Closing Date through December 31, 2008 for employees of Company (and their qualified beneficiaries) who terminate

employment prior to the Closing Date and Stockholders shall cause Newser LLC to provide continuation of benefits coverage in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B benefits after December 31, 2008 for employees of the Company (and their qualified beneficiaries) who terminate employment with the Company prior to the Closing.

SECTION 5.06. Intentionally Omitted.

SECTION 5.07. Intentionally Omitted.

SECTION 5.08. Intentionally Omitted.

SECTION 5.09. Correspondence. Each party will promptly remit to the other parties any correspondence or amounts received by it which properly belong to the other party.

SECTION 5.10. Record Retention. Each party shall maintain the agreements, documents, books, records and files relating to the Company (collectively, "Records") for a period of six (6) years following the Closing Date. From and after the Closing Date, upon reasonable written notice, except in connection with litigation or threatened litigation between Parent and any of the Sellers or the Company Group, the parties shall furnish or cause to be furnished to each other and their representatives, employees, counsel and accountants access, during normal business hours and upon reasonable prior written notice, Records relating to periods prior to the Closing Date, and shall permit such Persons to examine and copy, at such Persons' sole cost and expense, such Records to the extent reasonably requested by the other party as is reasonably necessary for financial reporting and accounting matters, the preparation and filing of any returns, reports or forms or the defense of any claim or assessment. The parties agree to cooperate so that such access does not unreasonably disrupt the normal operations of Parent, the Company or the Sellers.

SECTION 5.11. No Disclosure. Parent and the Stockholder Representative shall jointly agree upon and approve a press release to be issued on or about the date of this Agreement and/or on or about the Closing Date, as mutually determined by the parties hereto. Any subsequent press release or public announcement made by either party hereto after approval of any such press release and prior to sixty (60) days after the Closing shall be consistent with (including in scope) the mutually agreed upon press release or releases.

SECTION 5.12. Director and Officer Liability; Indemnification. The Company shall take any necessary actions to provide that all rights to indemnification and all limitations on liability existing in favor of any current or former officers, directors, managers or employees of any of the Company (or its respective predecessors) (collectively, the "Company Indemnitees"), as provided in (i) the organizational documents of the Company in effect on the date of this Agreement or (ii) any written agreement providing for indemnification by the Company or any of the Company Indemnitees in effect on the date of this Agreement, and in each case which has been provided to Parent on or before the date hereof (an "Indemnity Agreement") to which the Company is a party shall survive the consummation of the transactions contemplated by this Agreement and continue in full force and effect on equal or more favorable terms and be honored by the Surviving Corporation after the Closing; provided, that such

indemnification shall be subject to limitations imposed from time to time by law. Without the prior written consent of such Company Indemnitee, the Surviving Corporation shall not settle any matter for which it or they are providing indemnification to any Company Indemnitee other than any settlement exclusively requiring the payment of monetary damages to be paid entirely by or on behalf of the indemnifying party. Parent shall guarantee the obligations of the Surviving Corporation under this Section 5.12.

SECTION 5.13. Tax Matters.

(a) Parent and the Surviving Corporation shall prepare, in consultation with Stockholder Representative prior to filing, and file, or cause to be prepared and filed, all Returns for the Surviving Corporation that are filed after the Closing Date other than Returns for the tax period which ends on the Closing Date which the Stockholder Representative shall prepare in consultation with Parent and Surviving Corporation. Each such Return shall be prepared in a manner consistent with past practice. At least 15 days prior to the date on which each such Return is filed, Parent shall submit a draft of such Return to the Stockholder Representative for the Stockholder Representative's review and comment, and in the case of the Return for the tax period ending on the Closing Date, at least 15 days prior to the date on which such Return is filed, Stockholder Representative shall submit a draft of such Return to Parent for its review and comment. Within fifteen (15) days after payment of such Taxes by Parent or the Surviving Corporation, the Stockholders shall reimburse Parent and the Surviving Corporation (by way of reduction in, and offset against, the Merger Consideration) for costs incurred to prepare any Returns relating to any taxable year or tax period ending on or before the Closing Date except to the extent that accruals for such expenses are included on Schedule 2.02(a) or are otherwise adjusted as set forth in Section 5.13(b) below or except to the extent that any such payment was not approved or was otherwise contested by Stockholder Representative in accordance with this Section 5.13.

(b) Subject to the provisions of Section 5.13(d) and subject to the Cap (as defined in section 7.02(c)), the Stockholders shall be jointly and severally liable to Parent and the Surviving Corporation for, and shall hold Parent and the Surviving Corporation harmless from and against, any and all Taxes due or payable by the Company for any taxable year or tax period ending on or before the Closing Date except to the extent that such Taxes (i) are paid prior to the Effective Time, (ii) to the extent that they are included on Schedule 2.02(a) or (iii) otherwise provided below. Taxes for which the Stockholders shall be jointly and severally liable and shall hold Parent and the Surviving Corporation harmless from and against under the preceding sentence shall include, without limitation, Taxes with respect to any such taxable year or tax period that are due or payable by Parent or the Surviving Corporation and result from or arise out of the transactions contemplated by this Agreement. Conversely, Parent and Surviving Corporation shall promptly pay to Stockholder Representative any difference between the Taxes which are due (or would be due but for the application of any net operating loss carryforward attributable to a pre-Closing period) and the amount of Taxes shown on Schedule 2.02(a). For the avoidance of doubt any net operating loss carryforward not used by the Company during the pre-Closing tax period will be available for use by the Surviving Corporation for post-Closing tax periods. Notwithstanding the preceding

obligations of this Section 5.13(b), Stockholders shall have no obligations for Taxes arising as the result of (i) a change in accounting practices or procedures used to prepare the Taxes made without the Stockholder Representative's written consent (ii) any settlements or other accommodations made without the Stockholder Representative's written consent, not to be unreasonably withheld, with respect to such Taxes, (iii) changes caused by the Parent or Surviving Corporation which would recharacterize any income or expense item to increase taxable income in pre-closing periods, or (iv) any dividend of the Company's interest in Newser or dividend or cancellation of the Note, but only to the extent any Tax liability relating thereto is reduced by the application of any Company net operating loss carryforward which may be attributable to the exercise of Options and the Transaction Expenses. Provided further that Stockholder's obligations under this Section 5.13(b) shall be reduced by the actual tax benefit to the Company as a result of (i) the deductions available and arising out of the exercise of Options and the payment of the Transaction Expenses and (ii) an increase in the Company's net operating loss carryforward as a result of the available deductions described in (i) above. All obligations under this section 5.13 required to be paid by Stockholders shall be paid from the Escrow Fund.

(c) Subject to the provisions of Section 5.13(d), Parent and the Surviving Corporation shall be liable for, and shall hold the Stockholders harmless from and against, (i) any and all Taxes due or payable by the Parent or the Surviving Corporation with respect to the Parent or the Surviving Corporation for any taxable year or tax period beginning after the Closing Date, and (ii) Taxes for any period ending on or before the Closing Date to the extent that such Taxes (1) are paid by the Company prior to the Effective Time or (2) are included on Schedule 2.02(a).

(d) Any Taxes for a tax period beginning before the Closing Date and ending after the Closing Date shall be apportioned between the Stockholders and the Parent, in the case of real and Personal property taxes and franchise taxes not based on gross or net income, on a per diem basis and, in the case of other Taxes, shall be determined based on the actual operations of the Company during the portion of such period ending on the Closing Date and operations of the Surviving Corporation during the portion of such period beginning on the day following the Closing Date. Each such portion of such period shall be deemed to be a tax period subject to the provisions of Sections 5.13(a), 5.13(b) and 5.13(c) above.

(e) Any refunds or credits of Taxes that were paid in respect of a taxable year or tax period (including a period deemed to be a tax period under Section 5.13(d)) of the Company ending on or before the Closing Date shall be for the account of the Stockholders, and any refund or credits of Taxes that were paid in respect of a taxable year or tax period (including a period deemed to be a tax period under Section 5.13(d)) of the Company beginning after the Closing Date shall be for the account of the Parent and the Surviving Corporation but shall be offset and be credited against any amounts which may be owed by the Company or any Stockholder hereunder. The Parent and the Surviving Corporation, on the one hand, and the Stockholders, on the other hand, as the case may be, shall pay the amount of any such refunds or credits to the other party within fifteen (15) days after receipt thereof unless contested in accordance with the procedures

set forth in Article VII hereof. The preceding sentences shall not apply to any refunds or credits to the extent such refunds or credits relate to a net operating loss generated during a tax period beginning after the Closing Date which, at the election of the Parent and the Surviving Corporation, is carried back to a taxable year or tax period ending prior to the Closing Date, all of which refunds or credits shall be for the account of the Parent and the Surviving Corporation. Notwithstanding the foregoing, any refunds or credits to be paid to the Stockholders shall first be offset against any indemnification payments owed to Parent under Article VII of this Agreement.

(f) If, after the Effective Time, Parent or the Surviving Corporation becomes aware of any assessment, official inquiry, examination or proceeding that could result in an official determination with respect to any Tax for which the Stockholders could be liable pursuant to Section 5.13(b) or Article VII, Parent shall promptly so notify the Stockholder Representative in writing. If, prior to the Effective Time, the Company becomes aware of any official inquiry, examination or proceeding that could result in an official determination with respect to Taxes related to the business, activities or assets of the Company, the Company shall promptly so notify Parent in writing. After the Closing Date, the Stockholder Representative shall cooperate to the extent reasonably requested by Parent or the Company, in connection with any official inquiry, examination or proceeding described in Section 5.13(f). Such cooperation shall include the retention, until the expiration of the statute of limitation (and any extensions thereof) and (upon the other party's request) the provision of any records and information that are reasonably relevant to any such official inquiry examination or proceeding and within the possession or control of the Stockholder Representative immediately prior to the Closing.

(g) Parent and the Surviving Corporation shall have the right to exercise control over the contest and/or settlement of any issue raised in any official inquiry, examination or proceeding with respect to Taxes related to the business, activities or assets of the Company or the Surviving Corporation after the Effective Time; provided that (i) Parent and the Surviving Corporation shall keep the Stockholder Representative informed of all material developments with respect to such inquiry, examination or proceeding if it relates to any Tax for which the Stockholders could be liable under Section 5.13(b) and Article VII and permit the Stockholder Representative to participate at its sole cost and (ii) Parent and the Surviving Corporation shall not settle or compromise any such inquiry, examination or proceeding that relates to any Tax for which the Stockholders could be liable under Section 5.13(b) or Article VII. Stockholder Representative shall have the right to exercise control over the contest and/or settlement of any issue raised in any official inquiry, examination or proceeding with respect to Taxes related to the business, activities or assets of the Company or the Surviving Corporation prior to the Effective Time; provided that (i) Stockholder Representative shall keep the Parent and the Surviving Corporation informed of all material developments with respect to such inquiry, examination or proceeding if it relates to any Tax for which the Parent and the Surviving Corporation could be liable and (ii) Stockholder Representative shall not settle or compromise any such inquiry, examination or proceeding that relates to any Tax for which the Parent and the Surviving Corporation, except after good faith consultation with the Parent and Surviving Corporation concerning such settlement or compromise which imposes any liability on the Company

or Parent. Any reasonable expenses incurred in connection therewith (x) shall be paid by the Stockholders to the extent that they relate to any Tax for which the Stockholders could be liable under Section 5.13(b) or Article VII (including any Tax for a period deemed to be a tax period under Section 5.13(d)) and (y) shall be paid by Parent and the Surviving Corporation to the extent that such expenses relate to a Tax for which Parent and the Surviving Corporation could be liable pursuant to Section 5.13(c) (including any Tax for a period deemed to be a tax period under Section 5.13(d)). The Stockholder Representative shall cooperate fully, as and to the extent reasonably requested by Parent or the Surviving Corporation, in connection with any such official inquiry, examination or proceeding. Such cooperation shall include the retention, until the expiration of the statute of limitations (and any extensions thereof) and (upon the other party's request) the provision of any records and information that are reasonably relevant to any such official inquiry, examination or proceeding.

(h) Prior to the Closing Date, the Company shall terminate all Tax sharing agreements or similar agreements with respect to or involving the Company. The Company represents and warrants that, after the Closing Date, the Surviving Corporation shall not be bound by any Tax sharing agreements or similar agreements or have any liability under any such agreements.

(i) Parent and the Company shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes that become payable by, and are imposed on, the Company in connection with the transactions contemplated hereby that are required or permitted to be filed on or before the Effective Time. Any such real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes that become payable by, and are imposed on, the Company in connection with the transactions contemplated hereby (collectively, the "Conveyance Taxes") shall be an obligation of the Company and, to the extent not paid prior to the Effective Time, shall be included on Schedule 2.02(a).

SECTION 5.14. Options and Warrants.

(a) The Company shall take all actions as may be necessary to terminate and/or cancel, or cause to be terminated or cancelled, prior to the Effective Time, (i) any options to purchase equity of the Company (including, without limitation, all options under the Company Stock Plans)and (ii) any outstanding warrants to purchase equity of the Company.

(b) Prior to the Effective Time, the Company shall have terminated the Company Stock Plans, with no future liability to the Surviving Corporation.

SECTION 5.15. W-9s. In connection with the requirements under the Escrow Agreement, prior to Closing the Company shall obtain and provide to the Parent and the Escrow Agent completed and executed Internal Revenue Service Form W-9s from each of the Sellers. Notwithstanding anything herein to the contrary, the failure of a Person to provide a

completed W-9 shall entitle the Escrow Agent and Parent to withhold any payments to be made to such Person until the completed W-9 is provided.

SECTION 5.16. Intentionally Omitted.

SECTION 5.17. 280G Payments. To the extent any payments made with respect to, or which arise as a result of, this Agreement, could be characterized as an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code, the Company shall (i) to the extent not already obtained, obtain the consent of the recipient of any such excess parachute payment that would otherwise be due and owing that such excess parachute payment shall not be due and owing, or paid, absent 280G Stockholder Approval (as defined below), and (ii) use commercially reasonable efforts to cause all such payments to be adequately disclosed to, and properly approved by a separate vote of, the stockholders of the Company meeting the requirements of the Code and the applicable Treasury Regulations ("280G Stockholder Approval").

SECTION 5.18. Related Party Indebtedness. Prior to the Effective Time, all accounts receivables or indebtedness of any stockholder of the Company (or any affiliate or family member of such stockholder) that is owed to the Company shall be paid in full.

SECTION 5.19. Debt. Concurrently with the Closing on the Closing Date, Parent and the Company agree to cause the Company to repay any outstanding Indebtedness of the Company and secure release of all Liens securing Indebtedness of the Company.

SECTION 5.20. Transition Services. At Closing, the Company will enter into an agreement with Newser, LLC ("Newser") to provide certain transition services to Newser pursuant to a Transition Services Agreement to be entered into at Closing, substantially in the form of Exhibit D (the "Transition Services Agreement").

SECTION 5.21. Receivables.

To the extent any accounts receivable allocated to Parent on Schedule 2.02(a) remain uncollected so that they do not appear as assets on the Closing Date True-Up Statement (the "Uncollected Receivables"), Parent shall cause the Surviving Company to use its commercially reasonable efforts consistent with past practice of the Company to collect the Uncollected Receivables. Promptly following collection thereof, if ever, the Surviving Company shall deposit the amount of such Uncollected Receivables with the Escrow Agent for the benefit of Sellers.

ARTICLE VI

CONDITIONS TO CLOSING

SECTION 6.01. Documents to be Delivered by Sellers. At the Closing, Sellers shall deliver to Parent the following:

(a) the certificates representing all of the Company Shares, together with appropriate stock powers attached and duly executed;

(b) a certificate of the secretary or assistant secretary of the Company, dated the Closing Date, which shall (i) certify the names of the officers of the Company authorized to sign this Agreement and the other documents, instruments or certificates to be delivered pursuant to this Agreement by the Company or any of its officers, together with the true signatures of such officers, or any document required by this Section 6.02 on behalf of Sellers, (ii) certify to and attach a copy of the then-current Certificate of Incorporation, certified by the Secretary of State of the State of Delaware, (iii) certify to and attach a copy of resolutions adopted by the Board of Directors and stockholders of the Company, authorizing the execution, delivery, and performance of this Agreement , the termination or transfer of all Plans and Employee Benefit Programs, other than the Assumed Benefit Plans as of immediately prior to the Closing Date and the other matters contemplated hereby and the Company Additional Agreements as appropriate, (iv) certify to and attach the then-current Bylaws, (v) attach good standing certificates for the Company from each jurisdiction where the Company has been formed or is doing business, certified by the respective state authorities from such jurisdictions, (vi) attach certified copies of all documents evidencing other necessary corporate or other action and governmental approvals, if any, with respect to this Agreement and the transactions contemplated hereby and (vii) certify to the names and security holdings of each stockholder and option holder of the Company immediately prior to the Effective Time;

(c) the resignations of all the officers and directors of the Company;

(d) reasonable evidence that all option plans of the Company have been properly terminated, including without limitation, the Company Stock Plans, and that all outstanding options, warrants or other securities convertible or exercisable into capital stock of the Company (other than Preferred Stock) have been cancelled and terminated and shall not be outstanding as of the Effective Time;

(e) evidence of termination of Employee Benefit Programs and Plans other than Assumed Benefit Plans and Qualified Plans; amendment of Qualified Plans to transfer plan sponsor to Newser, LLC and withdraw Company participation from such Qualified Plans; and assignment of contracts and agreements relating to administration and funding of such plans;

(f) evidence of full resolution of the opposition to HighBeam's ownership of "HighBeam" word mark, serial number 78318430, including but not limited

to evidence of execution of a settlement agreement with respect thereto, such evidence to be satisfactory to Parent in its sole discretion;

(g) the Escrow Agreement duly executed by an officer of the Stockholder Representative and the Company;

(h) the Estimated Transaction Expenses in writing;

(i) a release executed by each Stockholder of the Company dated as of the Closing Date, substantially in the form of Exhibit G;

(j) an Option Holders' Letter executed by each Option Holder;

(k) evidence of the termination of (i) any offer letters by the Company to David Guttman and Thomas Ballard and (ii) the Employment Agreement, dated December 16, 2002 between the Company and Patrick Spain;

(l) fully-executed Non-Competition, Non-Solicitation and Non-Interference with Business Agreements, or Non-Solicitation and Non-Interference with Business Agreements, between the Surviving Corporation and each of the individual listed on Schedule 6.02(1), substantially in the form of Exhibit H and in Mr. Spain's case including a termination of his existing employment agreement and severance;

(m) evidence of the termination of the Management Agreement, dated as of December 28, 2007, between the Company and Newser, LLC;

(n) offer letters for executed by each of David Guttman and Thomas Ballard with respect to employment with the Surviving Company;

(o) either (i) a properly executed statement satisfying the requirements of Treasury Regulation Sections 1.897-2(h) and 1.1445-2(c)(3) in a form reasonably acceptable to Parent or (ii) certificates of non-foreign status satisfying the requirements of Treasury Regulations Section 1.1445-2(b) duly executed by each Seller in a form reasonably acceptable to Parent; and

(p) an IRS Form W-9 or IRS Form W-8, as applicable, duly executed by each Stockholder.

SECTION 6.02. Documents to be Delivered by Parent. At the Closing, Parent shall deliver to the Stockholder Representative (on behalf of the Sellers) the following:

(a) a certificate of the secretary or assistant secretary of each of Parent and Newco, dated the Closing Date, certifying and attaching a copy of resolutions adopted by the Board of Directors of Parent and Newco authorizing the execution, delivery and performance of this Agreement and Parent's Additional Agreements as appropriate, and setting forth the incumbency of each Person executing this Agreement, or any document required by this Section 6.03 on behalf of Parent or Newco;

(b) the Escrow Agreement duly executed by an officer of Parent;

(c) the Transition Services Agreement, duly executed by an officer of the Surviving Corporation; and

(d) offer letters for each of David Guttman and Thomas Ballard with respect to employment with the Surviving Company duly executed by an officer of the Surviving Corporation.

SECTION 6.03. Funds to be Delivered. Parent shall cause the wire or other transfers of funds referred to in Article II to be made on the Closing Date.

ARTICLE VII

INDEMNIFICATION

SECTION 7.01. Survival. The covenants, representations and warranties of the Company, on the one hand, and Parent and Newco, on the other, shall survive the Closing Date until the eighteen month anniversary of the Closing Date and thereafter terminate. The expiration of any covenant, representation or warranty shall have no effect on the continued validity of any claim if written notice was given in accordance with this Article VII before the date of such expiration.

SECTION 7.02. Indemnification by Stockholders.

(a) Subject to the limitations set forth herein, Stockholders shall jointly and severally indemnify Parent and hold Parent, Parent's subsidiaries and their respective officers, directors and employees ("Parent Indemnified Parties") harmless against and in respect of any and all damages, losses, claims, penalties, liabilities, costs and expenses (including all fines, interest, reasonable legal fees and expenses and amounts paid in settlement but excluding lost profits, consequential, punitive, special or indirect damages) ("Losses"), that arise from or relate or are attributable to the following:

(i) any misrepresentation by the Company or breach of a warranty made by the Company, in each case, under Article III hereof;

(ii) any breach of any covenant or agreement on the part of Sellers or the Company set forth herein or in any certificate, schedule, document, or other writing delivered by the Company pursuant to this Agreement to be performed on or prior to Closing;

(iii) any breach of any covenant or agreement on the part of Sellers set forth herein to be performed after Closing;

(iv) any liability or obligation to brokers retained by Sellers in connection with the transactions contemplated by this Agreement;

(v) regardless of whether a claim is made before, on or after the Closing Date, any liability related to (A) any Assumed Benefit Plan including without limitation ERISA related claims and unpaid claims all to the extent arising prior to the Closing Date, (B) any Plan or Employee Benefit Program that is not an Assumed Benefit Plan, including without limitation, ERISA related claims, unfunded liabilities, unpaid claims and liabilities with respect to the termination of any such plan or program, (C) the severance or retirement of any employees of the Company before the Effective Time other than continuation of benefit coverage in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B, or (D) for employees (and their qualified beneficiaries) who terminated employment with the Company prior to the Closing Date, benefit coverage in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B for periods prior to the Closing Date and after December 31, 2008;

(vi) any claim by any current or former employee of the Company or any liability of the Company arising out of the purchase, termination, cancellation, expiration, redemption or conversion of shares, stock options, warrants or other convertible or exercisable securities;

(vii) any liability related to any Plan, Employee Benefit Program or ERISA-related matters or the severance of any employees of the Company before the Effective Time, whether a claim is made before, on or after the Closing Date, including, without limitation, unfunded liabilities, liability with respect to the termination of any such plan or program, any retiree from employment with the Company, any individual receiving continuation of coverage benefits in accordance with the provisions of Part 6 of Title I of ERISA and Code Section 4980B or any accrued but unpaid claim under such plan;

(viii) any liability of the Company, Newco or Parent in connection with Dissenting Shares to the extent such liability (i) represents a payment obligation of the Surviving Corporation under Section 262 of the DGCL in excess of the Merger Consideration retained by Parent in connection with such Dissenting Shares, or (ii) arises from or relates to any proceedings by a holder of Dissenting Shares arising out of or based upon Section 262 of the DGCL (which, for the avoidance of doubt, includes, without limitation, court costs, attorneys' fees, appraisal fees and any other costs and expenses);

(ix) any claim of an employee or former employee of the Company based upon, arising out of, or otherwise due to the actions or omissions, on or prior to the Closing Date, of the Company or its respective directors, officers, employees or affiliates;

(x) any claim by any current or former employee, independent contractor, director or stockholder of the Company for any type of benefits under any Law, including, without limitation, workers' compensation, unemployment,

temporary or permanent disability, and social security that is based on employment by or services to the Company before the Closing Date;

(xi) any liability relating to, caused by or resulting from a failure of the Company to properly classify its employees for purposes of determining eligibility for overtime pay pursuant to the Fair Labor Standards Act (29 U.S.C. 201, et seq.);

(xii) any claim by any Stockholder relating to contribution to the Escrow Fund or distribution of the Additional Funds based upon, arising out of, or otherwise due to the actions or omissions of the Company or its respective directors, officers, employees or affiliates;

(xiii) any claim by any Person of alleged infringement by the Company of U.S. Patent No. 5,717,860; *provided*, with respect to claims arising from facts occurring following the Closing Date, to the extent that such claims arise from use of the Company's affiliate tracking method consistent with the past practice of the Company in the period prior to the Closing Date; *provided further*, that in the event of such claim, the Company shall act, at Sellers' expense, in a commercially reasonable manner to mitigate any Losses related to such claim; or

(xiv) any liability related to any current or former employee of the Company who is not a Company Employee, including any claim relating to severance and any claim for medical benefits in connection with continuation coverage pursuant to the provisions of Part 6 of Title I of ERISA and Code Section 4980B.

For purposes of determining whether Losses arise from or relate or are attributable to that matters described in clauses (i) or (ii), once it is determined that a breach occurred and losses have been suffered, all representations, warranties and covenants shall be read as if they did not contain any materiality or Material Adverse Effect or knowledge qualifier.

(b) Notwithstanding the foregoing, Sellers shall have no liability to indemnify Parent Indemnified Parties on account of any claim pursuant to Sections 7.02(a)(i) through (iii) and (v) through (xiv) (1) unless and until and only to the extent that the liability of Stockholders in respect of such claims amounts to more than $50,000 of the Base Merger Consideration (the "Threshold"), (2) unless such claim is asserted in writing by the Parent Indemnified Party within eighteen months after the Closing Date and following the procedures set forth in Section 7.04 hereof, whereupon Stockholders shall be liable to pay the cumulative amounts due and payable pursuant to Section 7.02(a)(i) through (iii) and (v) through (xiv) up to and including the amount of the Threshold. No claims shall be made for any liabilities appearing on Schedule 2.02(a) to the extent such liabilities were (i) allocated to Parent thereon or (ii) satisfied by Sellers pursuant to Section 2.02(c) or Section 2.03.

(c) The maximum aggregate liability of Stockholders for any and all claims under this Article VII shall not exceed 5% of the Base Merger Consideration (the

"Cap"), and such amounts will be satisfied solely and exclusively from the Escrow Fund, other than with respect to claims arising from fraud which shall be satisfied solely and exclusively by the Stockholder responsible for such breach or fraud and not by any other Stockholder; *provided*, that the Stockholders shall be liable for any and all claims under Section 7.02(a)(xiv) up to the amount at which Parent's stop loss insurance coverage is activated as determined under the terms of Parent's relevant insurance policy for any year in which liability is incurred and the Escrow Fund shall not be the sole and exclusive source of satisfaction the amount of such claims.

(d) To the extent any claim is made by any of the Parent Indemnified Parties for which Stockholders would have a corresponding counterclaim based on a breach by Newco or Parent of Section 4.08, such claim shall be deemed qualified by such counterclaim.

SECTION 7.03. Indemnification by Parent.

(a) Parent shall indemnify Stockholders and hold Stockholders, Stockholders' subsidiaries and their respective officers, directors and employees ("Sellers Indemnified Parties") harmless against and in respect of any and all damages, losses, claims, penalties, liabilities, costs and expenses (including, all fines, interest, legal fees and expenses and amounts paid in settlement but excluding lost profits, consequential, punitive, special or indirect damages), that arise from or relate or are attributable to (i) any misrepresentation by Parent or breach of a warranty made by Parent, in each case, under Article IV hereof, (ii) any breach of any covenant or agreement on the part of Parent set forth herein or in any of Parent's Additional Agreements to be performed on or prior to Closing, (iii) any breach of any covenant or agreement on the part of Parent set forth herein to be performed after Closing, (iv) any liability or obligation to brokers retained by Parent in connection with the transactions contemplated by this Agreement or (v) any obligation to any Company Employee arising from actions or omissions after the Effective Time.

(b) Notwithstanding the foregoing, Parent shall have no liability to indemnify Stockholders Indemnified Parties (x) on account of any claim pursuant to Section 7.03(a) unless and until and only to the extent that the liability of Parent in respect of such claims, when aggregated with their liability in respect of all other claims made pursuant to Section 7.03(a) amounts to more than the Threshold and (2) unless such claim is asserted in writing by the Sellers Indemnified Party within eighteen months after the Closing Date, whereupon Parent shall be liable to pay cumulative amounts due pursuant to clause 7.03(a) up to and including the amount of the Threshold.

SECTION 7.04. Procedures.

(a) Notice to the Indemnitor. As soon as reasonably practicable after a Person entitled to indemnification hereunder (an "Indemnitee") has actual knowledge of any claim that it has under this Article VII that could reasonably be expected to result in an indemnifiable Loss (a "Claim"), and in any event within thirty (30) days of any third party Claim being presented in writing to the Indemnitee by the party making the Claim,

the Indemnitee shall give written notice thereof (a "Claims Notice") to the party responsible for the indemnification (notice may be provided to the Stockholder Representative on behalf of Sellers in the case of any Claim against any of Sellers) (the "Indemnitor"). A Claims Notice must describe the Claim in reasonable detail, and indicate the amount (estimated in good faith, as necessary and to the extent feasible) of the Loss that has been or may be suffered by the applicable Indemnitee. Notwithstanding the foregoing, no delay in or failure to give a Claims Notice pursuant to this Section 7.04(a) will adversely affect any of the other rights or remedies that the Indemnitee has under this Agreement, or alter or relieve an Indemnitor of its obligation to indemnify the applicable Indemnitee, except to the extent that such Indemnitor is materially prejudiced thereby. The Indemnitor shall respond to the Indemnitee (a "Claim Response") within thirty (30) days (the "Response Period") after the date that the Claims Notice is sent by the Indemnitor. Any Claim Response must specify whether or not the Indemnitor disputes the Claim described in the Claims Notice. If the Indemnitor fails to give a Claim Response within the Response Period, the Indemnitor will be deemed not to dispute the Claim described in the related Claims Notice. If the Indemnitor elects not to dispute a Claim described in a Claims Notice, whether by failing to give a timely Claim Response or otherwise, then the amount of Losses alleged in such Claims Notice will be conclusively deemed to be an obligation of the relevant Indemnitor, and the relevant Indemnitor shall satisfy such obligation within ten (10) business days after the last day of the applicable Response Period the amount specified in the Claims Notice. If the Indemnitor delivers a Claim Response within the Response Period indicating that it disputes one or more of the matters identified in the Claims Notice, a representative of Parent and the Stockholder Representative shall promptly meet and negotiate in good faith to settle the dispute. Parent and the Stockholder Representative shall cooperate with and make available to the other party and its respective representatives all information, records and data, and shall permit reasonable access to its facilities and personnel, as may be reasonably required in connection with the resolution of such disputes, except to the extent such disclosure is reasonably likely to, in the disclosing party's good faith determination, materially compromise the assertion of any attorney-client privilege. If Parent's representative and the Stockholder Representative are unable to reach agreement within thirty (30) days after the conclusion of the Response Period, then either Parent or the Stockholder Representative may resort to other legal remedies subject to the limitations set forth in this Article VII. Notwithstanding the foregoing, solely to the extent any provisions of this Section 7.04 with regard to the procedure by which certain tax matters are contested conflict with the provisions of Section 5.13 with respect to Taxes, the provisions of Section 5.13 shall govern. Any liabilities arising therefrom shall remain subject to all other provisions in this Article VII.

(b) Right of Parties to Settle or Defend. In the event of any claim by a third party against an Indemnitee for which indemnification is available hereunder, the Indemnitor has the right, exercisable by written notice to the Indemnitee, within thirty (30) days of receipt of a Notice from the Indemnitor to assume and conduct the defense of such claim (at its sole expense) with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee so long as Indemnitor acknowledges in a writing delivered to the Indemnitee that the Indemnitor is obligated to indemnify, defend and hold harmless the Indemnitee under the terms of its indemnification obligations

hereunder in connection with such third party claim; provided, that, the Indemnitor shall not be permitted to assume such defense (without the written consent of the Indemnitee) if (i) the Indemnitor is also a party to such proceeding or matter and the Indemnitee determines in good faith that there could be a material conflict of interest in the case of joint representation or (ii) the third party claimant is seeking injunctive or similar relief that, if obtained, could be materially adverse to the Indemnitee. If the Indemnitor has assumed such defense as provided in this Section 7.04(b), the Indemnitor will not be liable for any legal expenses subsequently incurred by any Indemnitee in connection with the defense of such claim so long as the Indemnitor actively, diligently and in good faith defends such claim. If the Indemnitor does not assume the defense of any third party claim in accordance with this Section 7.04(b), the Indemnitee may continue to defend such claim at the sole cost of the Indemnitor (subject to the limitations set forth in this Article VII) and the Indemnitor may still participate in, but not control, the defense of such third party claim at the Indemnitor's sole cost and expense. The Indemnitee will not consent to a settlement of, or the entry of any judgment arising from, any such claim, without the prior written consent of the Indemnitor (such consent not to be unreasonably withheld, conditioned or delayed). Except with the prior written consent of the Indemnitee (such consent not to be unreasonably withheld, conditioned or delayed), no Indemnitor, in the defense of any such claim, will consent to the entry of any judgment or enter into any settlement thereof. Indemnitee shall not be obligated to consent to any settlement or judgment (i) if it provides for injunctive or other nonmonetary relief affecting the Indemnitee or (ii) unless it includes as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnitee and its affiliates of a release from all liability with respect to such claim or litigation. In any such third party claim, the party responsible for the defense of such claim (the "Responsible Party") shall, to the extent reasonably requested by the other party, keep such other party informed as to the status of such claim, including all settlement negotiations and offers. Each Indemnitee shall use all reasonable efforts to make available to the Indemnitor and its representatives, all books, records and personnel of the Indemnitee relating to such third party claim and shall reasonably cooperate with the Indemnitor in the defense of the third party claim. Notwithstanding the foregoing, with respect to any claim under Section 7.02(a)(xiii) hereof, Indemnitor may settle a claim without the consent of Indemnitee so long as such settlement (i) does not provide for injunctive or other nonmonetary relief affecting the Indemnitee or its business (ii) does not require payment of any kind by Indemnitee and (iii) includes as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnitee and its affiliates of a release from all liability with respect to such claim or litigation.

(c) Settlement. The Responsible Party shall promptly notify the other party of each settlement offer with respect to a third party claim. Such other party shall promptly notify the Responsible Party whether or not such party is willing to accept the proposed settlement offer. If the Indemnitor is willing to accept the proposed settlement offer but the Indemnitee refuses to accept such settlement offer, then if (i) such settlement offer requires only the payment of money damages and provides a complete release of all Indemnitees that are a party to such third party claim and their affiliates with respect to the subject matter thereof and (ii) the Indemnitor agrees in writing that the entire amount of such proposed settlement constitutes Losses for which the relevant Indemnitor is

responsible and shall satisfy in full, then the amount payable to the Indemnitees with respect to such third party claim will be limited to the amount of such settlement offer. If any such settlement offer is made to any claimant and rejected by such claimant, the amount payable to an Indemnitee with respect to such claim will not be limited to the amount of such settlement offer but will remain subject to all other limitations set forth in this Agreement.

SECTION 7.05. Certain Adjustments.

(a) The parties agree that any indemnification payments made pursuant to this Agreement shall be treated for tax purposes as an adjustment to the Merger Consideration, unless otherwise required by applicable law.

(b) The amount of any Losses or Tax for which indemnification is provided under this Article VII shall be computed net of any insurance proceeds received by the Indemnitee in connection with such Losses. If the Indemnitee or any of its affiliates receives insurance proceeds in connection with Losses for which it has received indemnification, such party shall refund to the Indemnitor the amount of such insurance proceeds when received, up to the amount of indemnification received. . If the amount with respect to which any claim is made under this Article VII (an "Indemnity Claim") gives rise to a currently realizable Tax Benefit (as defined below) to the party making the claim, the indemnity payment shall be reduced by the amount of the Tax Benefit available to the party making the claim. To the extent such Indemnity Claim does not give rise to a currently realizable Tax Benefit, if the amount with respect to which any Indemnity Claim is made gives rise to a subsequently realized Tax Benefit to the party that made the claim, such party shall refund to the indemnifying party the amount of such Tax Benefit (with and including any gross-up payment made pursuant to this Section 7.05 with respect to such Tax Benefit) when, as and if realized. For purposes of this Section 7.05, a "Tax Benefit" means an amount by which the tax liability of the party (or group of corporations including the party) is reduced (including, without limitation, by deduction, reduction of income by virtue of increased tax basis or otherwise, entitlement to refund, credit or otherwise) plus any related interest received from the relevant taxing authority. Where a party has other losses, deductions, credits or items available to it, the Tax Benefit from any losses, deductions, credits or items relating to the Indemnity Claim shall be deemed to be realized after any other losses, deductions, credits or items. For the purposes of this Section 7.05, a Tax Benefit is "currently realizable" to the extent it can be reasonably anticipated that such Tax Benefit will be realized in the current taxable period or year or in any tax return with respect thereto (including through a carryback to a prior taxable period) or in any taxable period or year prior to the date of the Indemnity Claim. In the event that there should be a determination disallowing the Tax Benefit, the indemnifying party shall be liable to refund to the indemnified party the amount of any related reduction previously allowed or payments previously made to the indemnifying party pursuant to this Section 7.05. The amount of the refunded reduction or payment shall be deemed a payment under this Section 7.05 and thus shall be paid subject to any applicable reductions under this Section 7.05.

SECTION 7.06. Exclusive Remedy. Except as set forth in Section 9.13 or as specifically set forth in this Agreement, following the Closing, the indemnification obligations of this Article VII shall be the sole and exclusive remedy for Losses, breaches or defaults of under any provisions of this Agreement and no other remedy shall be had in contract, tort or otherwise.

ARTICLE VIII

INTENTIONALLY OMITTED

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Entire Agreement. This Agreement and the Additional Agreements (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 provided however that the terms of the Confidentiality Agreement dated February 12, 2008 (the "Confidentiality Agreement") shall remain in full force and effect.

SECTION 9.02. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware. Parent and Sellers hereby irrevocably submit to the jurisdiction of any Delaware state court or United States Federal Court sitting in Wilmington (and any appellate court therefrom) over any action or proceeding arising out of or relating to this Agreement. Parent and Sellers hereby irrevocably waive any objection they may have to venue and the defense of an inconvenient forum to the maintenance of such action or proceeding.

SECTION 9.03. 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.

SECTION 9.04. 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 fasimile 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 Company or the Stockholder Representative, to:

Mr. Patrick J. Spain
1504 Ridgecrest Drive
Austin, TX 78746
Phone: (512) 731-6737; Fax:

With a copy to:

Fredric D. Tannenbaum, Esq.
Gould & Ratner
222 North LaSalle Street, Suite 800
Chicago, IL 60601
Phone: (312) 899-1613; Fax: (312) 236-3241

If to Parent or Newco, to:

Mr. Dennis Stepaniak
Chief Operating Officer
Gale Group Inc.
27500 Drake Road
Farmington Hills, MI 48331-3535
Phone: (248) 699-8080; Fax: (248) 699-8057

With a copy to:

Kenneth A. Carson, General Counsel
Cengage Learning, Inc.
200 First Stamford Place, 4th Floor
Stamford, Connecticut 06902
Phone: (203) 965-8739; Fax: (203)-965-8509

and

Thomas Freed
Edwards Angell Palmer & Dodge LLP
301 Tresser Boulevard
Stamford, CT 06901
Phone: (203) 353-6802; Fax: (888) 325-9077

SECTION 9.05. 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.

SECTION 9.06. 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 other parties hereto; provided that Parent may, without the prior

written consent of Company or Sellers, assign all of its rights hereunder to a direct or indirect wholly owned subsidiary of Parent unless such assignment would, or would reasonably be expected to, prevent, impede or materially delay the consummation of the transactions contemplated by this Agreement and Parent's Additional Agreements; provided further that, notwithstanding any such assignment, Parent shall remain liable to perform all of its obligations hereunder, including, without limitation, the obligations to fund the full amount of the Merger Consideration. In addition, Parent may collaterally assign or pledge its rights under this Agreement to any lender to Parent or any of its affiliates, and to any Person who acquires all or a substantial portion of the Business. All of the terms and provisions of this Agreement shall be binding on, and shall inure to the benefit of, the respective legal successors and permitted assigns of the parties.

SECTION 9.07. 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, except the Parent Indemnified Parties and the Sellers Indemnified Parties as expressly set forth herein.

SECTION 9.08. 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.

SECTION 9.09. Interpretation. Article titles, headings to sections and the table of contents are inserted for convenience of reference only and are not intended to be a part or to affect the meaning or interpretation hereof. The Schedules referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein. As used herein, "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; "writing", "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; references to a person are also to its successors and permitted assigns; "hereof", "herein", "hereunder" and comparable terms refer to the entirety hereof and not to any particular article, section or other subdivision hereof or attachment hereto; references to any gender include references to the plural and vice versa; references to this Agreement or other documents are as amended or supplemented from time to time; references to "Article", "Section" or another subdivision or to an attachment or "Schedule" are to an article, section or subdivision hereof or an attachment or "Schedule" hereto; references to "generally accepted accounting principles" shall mean generally accepted accounting principles in the United States.

SECTION 9.10. Disclosure. For the purpose of this Agreement, any disclosure made on one Schedule to this Agreement shall be deemed to be a disclosure for the purposes of all Schedules to this Agreement to the extent that the relevance of any such disclosure on one schedule to the subject matter of another schedule is apparent from the text of the Agreement and the disclosure on the schedule. In addition, any representation made to the "Knowledge of the Company" shall mean the actual knowledge of the persons listed on Schedule

9.10 after reasonable investigation (it being understood that in no circumstances shall "reasonable investigation" require more than inquiry of responsible managerial employees).

SECTION 9.11. No Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting.

SECTION 9.12. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

SECTION 9.13. Specific Performance. The parties hereto agree and acknowledge that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that Sellers and Parent, each in their sole discretion, may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement.

SECTION 9.14. Stockholder Representative. In the event that the Merger is approved, effective upon such vote, and without further act of any Seller, Patrick Spain shall be appointed as the sole, exclusive, true and lawful agent, representative and attorney-in-fact to act for and on behalf of each Seller, including, without limitation, to give and receive notices and communications, to act on behalf of the Sellers with respect to any matters arising under this Agreement, to agree to, negotiate, enter into settlements and compromises of, and commence, prosecute, participate in, settle, dismiss or otherwise terminate, as applicable, lawsuits and claims, mediation and arbitration proceedings, to take all actions under this Agreement contemplated or permitted to be taken by the Stockholder Representative, to comply with orders of courts and awards of courts, mediators and arbitrators with respect to such suits, claims or proceedings, and to take all actions necessary or appropriate in the judgment of Stockholder Representative for the accomplishment of the foregoing. Stockholder Representative shall for all purposes be deemed the sole authorized agent of the Sellers until such time as the agency is terminated. Such agency may be changed by the Sellers from time to time upon not less than thirty (30) days prior written notice to Parent; provided, however, that Stockholder Representative may not be removed unless holders of a majority of the Company Shares as of the date hereof agree to such removal and to the identity of the substituted Stockholder Representative. Any vacancy in the position of Stockholder Representative may be filled by approval of the holders of a majority of the Shares as of the date hereof. No bond shall be required of Stockholder Representative, and Stockholder Representative shall not receive

compensation for his services. Notices or communications to or from Stockholder Representative shall constitute notice to or from each of the Sellers during the term of the agency.

(a) Parent, Company, Newco, and Sellers acknowledge and agree that Stockholder Representative shall not incur any liability with respect to any action taken or suffered by it or omitted hereunder as Stockholder Representative while acting as Stockholder Representative. Stockholder Representative may, in all questions arising hereunder, rely on the advice of counsel and other professionals and for anything done, omitted or suffered by Stockholder Representative shall not be liable to anyone. Stockholder Representative undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no other covenants or obligations shall be implied under this Agreement against Stockholder Representative; provided, however, that the foregoing shall not act as a limitation on the powers of Stockholder Representative determined by it to be reasonably necessary to carry out the purposes of its obligations.

(b) Stockholder Representative shall have reasonable access to information about the Company and the reasonable assistance of the Company's officers and employees for purposes of performing his duties and exercising his rights hereunder, provided that Stockholder Representative shall treat confidentially and not disclose any nonpublic information from or about the Company to anyone (except on a need to know basis to individuals who agree to treat such information confidentially).

(c) A decision, act, consent or instruction of Stockholder Representative shall constitute a decision, act, consent or instruction of all the Sellers and shall be final, binding and conclusive upon each such Seller. Parent, Newco and the Surviving Corporation may rely upon any such decision, act, consent or instruction of Stockholder Representative as being the decision, act, consent or instruction of every such Seller.

****

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

GALE HOLDINGS I, INC.

By: _____
Name: Luke Brussel
Title: Vice President

HBR ACQUISITION, INC.

By: _____
Name: Kenneth Carson
Title: President

HIGHBEAM RESEARCH, INC.

By: _____
Name: _____
Title: _____

STOCKHOLDER REPRESENTATIVE

By: _____
Name: Patrick J. Spain

STOCKHOLDERS

Barbara Spain Revocable Trust

By: _____
Name: _____
Its: Trustee

Prism Opportunity Fund SBIC, L.P.

By: _____
Name: _____
Its: General Partner

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

GALE HOLDINGS I, INC.

By: _____
Name: _____
Title: _____

HBR ACQUISITION, INC.

By: _____
Name: _____
Title: _____

HIGHBEAM RESEARCH, INC.

By: _____
Name: Patrick Spain
Title: CEO

STOCKHOLDER REPRESENTATIVE

By: _____
Name: Patrick J. Spain

STOCKHOLDERS

Barbara Spain Revocable Trust

By: _____
Name: Patrick Spain
Its: Trustee

Prism Opportunity Fund SBIC, L.P.

By: _____
Name: _____
Its: General Partner

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

GALE HOLDINGS I, INC.

By: _____
Name: _____
Title: _____

HBR ACQUISITION, INC.

By: _____
Name: _____
Title: _____

HIGHBEAM RESEARCH, INC.

By: _____
Name: _____
Title: _____

STOCKHOLDER REPRESENTATIVE

By: _____
Name: Patrick J. Spain

STOCKHOLDERS

Barbara Spain Revocable Trust

By: _____
Name: _____
Its: Trustee

Prism Opportunity Fund SBIC, L.P.

By: _____
Name: Sec'y. POF Partners SBIC, Inc.
Its: General Partner