

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	CORRECTIVE ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	Corrective Assignment to correct the Assignee from Master Image Co., Ltd to MASTERIMAGE 3D ASIA, LLC previously recorded on Reel 023676 Frame 0685. Assignor(s) hereby confirms the assignment to MASTERIMAGE 3D ASIA, LLC, 6F Vision Tower 826-26 Yeoksam-dong, Gangnam-gu Seoul 135-080, Republic of Korea.
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
MasterImage Co., Ltd.	10/31/2009
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	MASTERIMAGE 3D ASIA, LLC
<b>Street Address:</b>	6F Vision Tower 826-26
<b>Internal Address:</b>	Yeoksam-dong, Gangnam-gu
<b>City:</b>	Seoul
<b>State/Country:</b>	REPUBLIC OF KOREA
<b>Postal Code:</b>	135-080
<b>PROPERTY NUMBERS Total: 3</b>	
<b>Property Type</b>	<b>Number</b>
Application Number:	12513590
Application Number:	11722478
Application Number:	12064795
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(801)328-1707
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
<b>Email:</b>	khauser@wnlaw.com
<b>Correspondent Name:</b>	R. Burns Israelsen
<b>Address Line 1:</b>	1000 Eagle Gate Tower
<b>Address Line 2:</b>	60 East South Temple
<b>Address Line 4:</b>	Salt Lake City, UTAH 84111
<b>ATTORNEY DOCKET NUMBER:</b>	16143.18, .21 & .40

OP \$120.00 12513590

**501264329**

**PATENT  
 REEL: 024847 FRAME: 0063**

NAME OF SUBMITTER:

R. Burns Israelsen

**Total Attachments: 71**

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TO: R. BURNS ISRAELSEN COMPANY: 1000 EAGLE GATE TOWER

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

**12/18/2009**  
**501045958**

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT

**CONVEYING PARTY DATA**

Name	Execution Date
Master Image Co., Ltd.	10/31/2009

**RECEIVING PARTY DATA**

<b>Name:</b>	MASTERIMAGE 3D, LLC.
<b>Street Address:</b>	4111 W. Alameda Ave. Suite 312
<b>City:</b>	Burbank
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	91505

**PROPERTY NUMBERS Total: 3**

Property Type	Number
Application Number:	12513590
Application Number:	11722478
Application Number:	12064795

**CORRESPONDENCE DATA**

**Fax Number:** (801)328-1707  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

**Email:** khauser@wnlaw.com

**Correspondent Name:** R. Burns Israelsen

**Address Line 1:** 1000 Eagle Gate Tower

**Address Line 2:** 60 East South Temple

**Address Line 4:** Salt Lake City, UTAH 84111

<b>ATTORNEY DOCKET NUMBER:</b>	16143.40,16143.18,1614321
<b>NAME OF SUBMITTER:</b>	R. Burns Israelsen

**Total Attachments: 17**  
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TO: R. BURNS ISRAELSEN COMPANY: 1000 EAGLE GATE TOWER

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## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of October 31, 2009, by and among MasterImage Co., Ltd., a corporation organized and existing under the laws of the Republic of Korea (the "**Company**"), Younghoon Lee, a stockholder of the Company (the "**Stockholder**"), with respect to Article III, Sections 5.3, 7.2, 7.3, 7.4, 7.5, 7.7, 7.15 and Article VIII of this Agreement only, and MasterImage 3D Asia, LLC, a limited liability company (*Yu-Han-Hoe-Sa* in Korean) organized and existing under the laws of the Republic of Korea ("**Buyer**"). The Company, the Stockholder (but only in the sections applicable to the Stockholder), and Buyer are herein referred to individually as a "**Party**" and collectively as the "**Parties.**" Capitalized terms are either defined herein or are specifically defined in Article IX hereof.

### RECITALS

**WHEREAS**, the Company is engaged in the business of, among other things, developing, marketing, selling, leasing, and installing 3D theater systems, 3D display technologies, 3D eyewear, and 3D camera and integrated chip sets (the "**Business**");

**WHEREAS**, the Company desires to sell and transfer to Buyer, and Buyer desires to purchase from the Company, substantially all of the assets used in the Business;

**WHEREAS**, the Stockholder owns 17.22% of the Company's outstanding capital stock;

**WHEREAS**, MasterImage USA, Inc., a Delaware corporation ("**MasterImage USA**") is selling to MasterImage 3D LLC, a Delaware limited liability company and the sole owner of Buyer ("**MasterImage 3D**"), substantially all of its assets pursuant to the terms of an asset purchase agreement dated as of the date hereof (the "**MasterImage USA Purchase Agreement**");

**WHEREAS**, Buyer would be unwilling to enter into this Agreement and consummate the transactions hereunder unless MasterImage 3D enters into the MasterImage USA Purchase Agreement; and

**WHEREAS**, Buyer and the other parties to this Agreement and the MasterImage USA Purchase Agreement have agreed that the sum of Two Million Six Hundred Fifty Thousand Dollars (\$2,650,000) shall be deposited by MasterImage 3D on the Closing Date into an account (the "**Escrow Account**") to be established with Wells Fargo, N.A., as escrow agent (the "**Escrow Agent**") pursuant to the terms and conditions of the Escrow Agreement attached hereto as Exhibit A (the "**Escrow Agreement**").

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parties agree as follows:

## ARTICLE I PURCHASE AND SALE

1.1. Purchase and Sale of the Company's Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company shall sell, convey, assign, transfer and deliver to Buyer all of the Company's right, title and interest in the assets, properties and rights related to, used or held for use in connection with, or necessary for the conduct of, the Business as set forth on **Schedule 1.1** hereto (collectively, the "**Purchased Assets**"), free and clear of any and all liens, encumbrances, mortgages, security interests, pledges, claims, equities and other restrictions or charges of any kind or nature whatsoever ("**Liens**").

1.2. Excluded Assets. The Company is not selling, and Buyer is not purchasing, any assets of the Company listed on **Schedule 1.2** hereto or any rights of the Company under this Agreement and the Transaction Documents, all of which shall be retained by the Company (collectively, the "**Excluded Assets**"). It is specifically understood and agreed by the Parties hereto that Buyer is acquiring, and the Company is selling, all of the tangible and intangible assets attributable to or used by the Company in its Business, except the Excluded Assets. For the avoidance of doubt, the Parties agree that each asset, property or right of the Company that is not listed on **Schedule 1.2** as an Excluded Asset shall be a Purchased Asset.

1.3. Liabilities.

(a) At the Closing, Buyer shall assume and agree to satisfy and discharge as the same shall become due, (i) the Company's payment obligations, liabilities, and debts listed on **Schedule 1.3(a)** hereto, and (ii) the Company's performance obligations arising subsequent to the Closing under the Contracts listed under **Schedule 2.9** (collectively the "**Assumed Liabilities**"). For the avoidance of doubt, the Parties agree that each liability, obligation, debt or commitment of the Company that is not listed on **Schedule 1.3(a)** as an Assumed Liability shall be a Retained Liability.

(b) Except as expressly set forth in **Schedule 1.3(a)**, Buyer shall not assume or be responsible at any time for any liability, obligation, debt or commitment of the Company, whether absolute or contingent, accrued or unaccrued, asserted or unasserted, or otherwise, including, but not limited to, any liabilities, obligations, debts or commitments of the Company (collectively, the "**Retained Liabilities**"). The Company expressly acknowledges and agrees that the Company shall retain, and that Buyer shall not assume or otherwise be obligated to pay, perform, defend or discharge any Retained Liabilities, including, without limitation: (i) any liabilities, obligations, debts or commitments incident to, arising out of or incurred with respect to this Agreement and the transactions contemplated hereby (the "**Transactions**"), (ii) any and all sales, income, capital gains or other Taxes arising out of the Transactions, (iii) any liability of the Company for Taxes, whether measured by income or otherwise, (iv) any liability of the Company in connection with any Benefit Plan, (v) any liability of the Company under any federal, state or local law, rule, regulation, ordinance, program, Permit, or other Applicable Law relating to health, safety, Hazardous Materials and environmental matters applicable to the Company's business and/or the facilities used by the Company (whether or not owned by the Company), (vi) any product liability pertaining to products sold or manufactured by the Company prior to the Closing Date, (vii) any liability or obligation of the Company relating to

any default taking place before the Closing Date under any of the Assumed Liabilities to the extent such default created or increased such liability or obligation, or (viii) any obligation of the Company to the Stockholder, any former stockholders of the Company, or any Affiliate of the Company or the Stockholder, or any Person claiming to have a right to acquire any capital stock or other securities of the Company. The Company further agrees to satisfy and discharge as the same shall become due all obligations and liabilities of the Company not specifically assumed by Buyer hereunder.

1.4. Consideration.

(a) As payment in full for the Purchased Assets, at the Closing, Buyer shall pay, in the manner set forth in this Section 1.4(a), the sum of One Million Three Hundred Thousand Dollars (\$1,300,000), subject to further adjustment as provided in Section 7.5 hereof (such sum, as so adjusted from time to time, is herein referred to as the "**Purchase Price**"). On the Closing Date, Buyer shall deliver to the Company, by official bank check or wire transfer (to an account specified by the Company in writing at least one (1) business day prior to the Closing), in next day funds, the sum of One Million Three Hundred Thousand Dollars (\$1,300,000).

(b) The Purchase Price shall be allocated, apportioned and adjusted among the Purchased Assets in the manner specified on **Schedule 1.4(b)**, which Schedule shall be delivered by the Company to Buyer on or before December 31, 2009, in form and substance satisfactory to Buyer. The Parties agree to abide by such allocations for all Tax reporting purposes. Neither the Company, Buyer, nor any of their respective Affiliates shall take any position (whether in audits, Tax Returns, or otherwise) that is inconsistent with such allocation unless required to do so by Applicable Law, in which case all Parties shall be notified.

(c) The Company shall use the Purchase Price and the Excluded Assets as set forth in a Flow of Funds Agreement to be entered into between the Company and Buyer on or before the Closing Date.

1.5. Closing. Subject to the conditions stated in Article VII of this Agreement, the sale and purchase of the Purchased Assets shall take place at a closing (the "**Closing**") to be held at the offices of Bae, Kim & Lee LLC, 647-15 Yoksam-dong, Kangnam-gu, Seoul, Korea at 10:00 a.m. no later than one (1) business day following the date on which all conditions set forth in Article V and Article VI have been satisfied or waived in writing by the applicable Party, or at such other place or at such other time or on such other date as the Company and Buyer mutually may agree in writing (the "**Closing Date**").

1.6. Transaction Documents. The sale, transfer, conveyance, assignment and delivery by the Company of the Purchased Assets to Buyer in accordance with Section 1.1 hereof shall be effected on the Closing Date by the Company's execution and delivery to Buyer of the documents set forth on **Schedule 1.6** hereto, including, without limitation, one or more bills of sale, assignments and other conveyance instruments with respect to the Company's transfer of Intellectual Property, real property interests and other Purchased Assets in form and scope reasonably satisfactory to Buyer together with such other documents as are reasonably necessary



to complete the Transactions as reasonably requested by any Party (collectively, the "Transaction Documents").

1.7. Deliveries by the Company. At or prior to the Closing, the Company shall deliver to Buyer:

(a) The Transaction Documents duly executed by the Company and the Stockholder, as applicable;

(b) A certificate executed by an officer of the Company (the "Officer's Certificate") to the effect that (i) all representations and warranties made by the Company herein are true and correct as of the Closing Date, and (ii) the conditions set forth in Sections 6.1(b), 6.1(d), 6.1(e) and 6.1(f) have been satisfied;

(c) A certificate executed by the representative director of the Company (the "Director's Certificate"), dated as of the Closing Date, as to (i) no amendments to the articles of incorporation of the Company since the date set forth on the certified copy of the certificate of incorporation attached thereto and all such governing documents remain in full force and effect; and (ii) the resolutions of the Stockholder and Board of Directors of the Company, copies of which shall be attached thereto, authorizing the execution, delivery, and performance of the Transaction Documents and the Transactions;

(d) Possession of all originals and copies of agreements, instruments, documents, deeds, books, records, files and other data and information within the possession of the Company or any Affiliate of the Company pertaining to the Company (collectively, the "Records"); provided, however, that the Company may retain (i) copies of any Tax Returns and copies of Records relating thereto; and (ii) copies of any Records that the Company is reasonably likely to need for complying with Applicable Laws; and

(e) Such other good and sufficient instruments of transfer as Buyer reasonably deems necessary and appropriate to vest in Buyer all right, title and interest in, to and under the Purchased Assets.

1.8. Deliveries by Buyer. At or prior to the Closing, Buyer shall deliver to the Company:

(a) The amount and form of Purchase Price required to be paid at the Closing pursuant to Section 1.4 hereof;

(b) The Transaction Documents duly executed by Buyer; and

(c) Such other good and sufficient instruments as the Company reasonably deems necessary and appropriate to relieve the Company of its obligations with respect to the Assumed Liabilities.

1.9. Termination in Absence of Closing.

(a) Subject to the provisions of Section 1.9(b) hereof, if by the close of business on November 15, 2009, the Closing has not occurred, then either the Company or Buyer may thereafter terminate this Agreement by written notice to such effect, to the other Parties hereto, without liability of or to any Party to this Agreement or any shareholder, director, officer, employee or representative of such Party unless the reason for Closing having not occurred is (i) such Party's willful breach of the provisions of this Agreement, or (ii) if all of the conditions to such Party's obligations set forth in Article V have been satisfied or waived in writing by the date scheduled for the Closing pursuant to Section 1.5, the failure of such Party to perform its obligations under this Article I on such date; provided, however, that the provisions of Section 7.2(a)(iv), Section 7.11, Section 7.15 and Article VIII hereof shall survive any such termination; and provided further, however, that any termination pursuant to this Section 1.9(c) shall not relieve any Party hereto who was responsible for the Closing having not occurred as described in clauses (i) or (ii) above from any liability for (x) such Party's willful breach of the provisions of this Agreement, or (y) if all of the conditions to such Party's obligations set forth in Article V have been satisfied or waived in writing by the date scheduled for the Closing pursuant to Section 1.5 hereof, the failure of such Party to perform its obligations under this Article I on such date.

(b) Notwithstanding the approval of the Board of Directors of Buyer, this Agreement and the Transactions may be terminated and abandoned at any time on or prior to the Closing Date by Buyer if:

(i) Any representation or warranty made herein for the benefit of Buyer or any certificate, schedule or document furnished to Buyer pursuant to this Agreement is untrue in any material respect and is not cured within five (5) business days after the Company receives written notice of such material breach; or

(ii) The Company or the Stockholder shall have defaulted in any material respect in the performance of any material obligation under this Agreement and such default is not cured within five (5) business days after the Company or the Stockholder, as applicable, receives written notice of such material breach.

(c) Notwithstanding the approval of the Board of Directors of the Company, this Agreement and the Transactions may be terminated and abandoned at any time on or prior to the Closing Date by the Company if:

(i) Any representation or warranty made herein for the benefit of the Company or any certificate, schedule or document furnished to the Company pursuant to this Agreement is untrue in any material respect and is not cured within five (5) business days after Buyer receives written notice of such material breach; or

(ii) Buyer shall have defaulted in any material respect in the performance of any material obligation under this Agreement and such breach is not cured within five (5) business days after Buyer receives written notice of such material breach.

**ARTICLE II**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to Buyer as of the date hereof and as of the Closing Date that the statements contained in this Article II are true and correct, except as set forth in the schedules attached hereto.

2.1. Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the Republic of Korea. The Company has full corporate power and authority to own, lease, hold and operate the Purchased Assets and to carry on the Business as and where such Purchased Assets are presently located and such Business is presently conducted. The Company is duly qualified or licensed to do business, and is in good standing, in each jurisdiction where the ownership or operation of the Purchased Assets or the nature of the Business makes such qualification or licensing necessary.

2.2. Authority. The Company has full power and legal capacity to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents and to consummate the Transactions. This Agreement has been, and upon their execution each of the other Transaction Documents will be, duly executed and delivered by the Company, and is, and upon execution each of the other Transaction Documents will be, legal, valid, binding and enforceable upon and against the Company.

2.3. No Company Conflict; Required Filings and Consents. Except as set forth on **Schedule 2.3** hereto, the execution, delivery and performance by the Company of this Agreement and the Transaction Documents and the consummation by the Company of the Transactions do not and will not (a) violate any provision of the articles of incorporation of the Company; (b) violate any statute, law, regulation, order, injunction or decree ("**Applicable Law**") applicable to Company, the Business or the Purchased Assets that would result in a Material Adverse Effect; (c) conflict with, create a breach or default under, require any consent of or notice to or give to any third party any right of modification, acceleration or cancellation, or result in the creation of any Lien, upon any of the Purchased Assets pursuant to, any Material Contract, license, permit or other instrument to which the Company is a party or by which the Company, the Business or any of the Purchased Assets may be bound, affected or benefited; (d) require any consent or approval of, registration or filing with, or notice to any governmental authority or any agency or instrumentality thereof (a "**Governmental Authority**") that, if not obtained, would result in a Material Adverse Effect; or (e) harm the interests of the Company's creditors. The Company hereby represents and warrants that it is not entering into this Agreement or any other Transaction Document with the intent to harm the interests of its creditors.

2.4. Title to, Condition and Sufficiency of Assets.

(a) The Company has good and valid title to or a valid leasehold interest in all of the Purchased Assets, free and clear of any Liens other than those Liens set forth on **Schedule 2.4(a)** hereto. Pursuant to this Agreement and the Transaction Documents, Buyer will acquire good and valid title to or a valid leasehold interest in all of the Purchased Assets, free and clear of any Lien. The Purchased Assets constitute all of the assets and rights used in or

necessary for the conduct of the Business as currently conducted by Company. All tangible personal property included in the Purchased Assets is in all material respects in good operating condition, repair, ordinary wear and tear excepted, and is adequate for the uses to which it is being put by the Company.

(b) With the exception of this Agreement, there are no outstanding options, letters of intent, contracts or other agreements, arrangements or understandings (written or oral) of any kind relating to the sale, transfer, assignment, license, encumbrance or other disposition of any of the Purchased Assets or any interest therein.

## 2.5. Financial Statements.

(a) The Company has delivered to Buyer true and complete copies of the following (collectively, the "**Financial Statements**"): (i) audited balance sheet, income statement, and cash flow statement for the fiscal year ended December 31, 2008; and (ii) unaudited quarterly balance sheet, income statement, and cash flow statement for each of the fiscal quarters ending March 31, 2009, June 30, 2009, and September 30, 2009. True, accurate, and complete copies of such Financial Statements are attached hereto as **Schedule 2.5(a)**. Each Financial Statement presents fairly the financial condition, results of operations, and cash flows of the Company on and as of the date indicated on such Financial Statement.

(b) Except for (i) the liabilities reflected on the Company's September 30, 2009 balance sheet included with the Financial Statements attached as **Schedule 2.5(a)** hereto, (ii) trade payables and accrued expenses incurred since September 30, 2009 (the "**Balance Sheet Date**") in the ordinary course of business, none of which are material, (iii) executory contract obligations under the Material Contracts listed on **Schedule 2.9** hereto, and (iv) the liabilities set forth in **Schedule 2.5(b)** hereto, the Company does not have any liabilities or obligations (whether accrued, absolute, contingent, known, unknown or otherwise).

(c) Except as otherwise set forth in **Schedule 2.5(c)** hereto, the accounts receivable reflected on the September 30, 2009 balance sheet included in the Financial Statements and all of the Company's accounts receivable arising since the Balance Sheet Date arose from bona fide transactions in the ordinary course of business, and the goods and services involved have been sold, delivered and performed to the account obligors, and no further filings (with governmental agencies, insurers or others) are required to be made, no further goods are required to be provided, and no further services are required to be rendered in order to complete the sales and fully render the services and to entitle the Company to collect the accounts receivable in full. Except as set forth in **Schedule 2.5(c)** hereto, no such account has been assigned or pledged to any other Person and, except only to the extent fully reserved against as set forth in the September 30, 2009 balance sheet included in the Financial Statements, no defense or set-off to any such account has been asserted by the account obligor or exists.

(d) Except as otherwise set forth in **Schedule 2.5(d)** hereto, the Inventory of the Company as of the Closing Date shall consist of items of a quality, condition and quantity consistent with normal seasonally-adjusted Inventory levels of the Company and be usable and saleable in the ordinary and usual course of business for the purposes for which intended, except to the extent written down or reserved against on the September 30, 2009 balance sheet included

in the Financial Statements. Except as otherwise set forth in **Schedule 2.5(d)** hereto, the Company's Inventory is valued on the Company's books of account in accordance with generally accepted accounting principles as applied in Korea.

(e) The Company's fiscal year-end is December 31.

2.6. Absence of Certain Changes or Events.

(a) Except as set forth on **Schedule 2.6(a)** hereto, since the Balance Sheet Date: (i) there has not been any Material Adverse Change and no event has occurred or circumstances exist that would be reasonably likely to result in a Material Adverse Change; and (ii) the Company has preserved substantially intact the Purchased Assets and the organization of the Business, has kept available to the Business the services of its current officers, employees and consultants, and has preserved the goodwill of the Business' customers, suppliers and employees.

(b) Except as otherwise set forth in **Schedule 2.6(b)** hereto, since the Balance Sheet Date, the Company has not done any of the following: (i) merged into or with or consolidated with, any other corporation or acquired the business or assets of any Person; (ii) purchased any securities of any Person; (iii) created, incurred, assumed, guaranteed or otherwise become liable or obligated with respect to any indebtedness, or made any loan or advance to, or any investment in, any Person, except in each case in the ordinary course of business; (iv) made any change in any existing election, or made any new election, with respect to any Tax law in any jurisdiction, which election could have an effect on the Tax treatment of the Company or the Company's business operations; (v) entered into, amended or terminated any Material Contract; (vi) sold, transferred, leased, mortgaged, encumbered or otherwise disposed of, or agreed to sell, transfer, lease, mortgage, encumber or otherwise dispose of, any of its properties except (A) in the ordinary course of business, or (B) pursuant to any Material Contract specified in **Schedule 2.9** hereto; (vii) settled any claim or litigation, or filed any motions, orders, briefs or settlement agreements in any litigation or arbitral, administrative or other proceeding before any court, Governmental Authority or arbitrator; (viii) maintained its books of account other than in the usual, regular and ordinary manner and on a basis consistent with prior periods or made any changes in its accounting methods or practices; (ix) (A) liquidated Inventory or accepted product returns other than in the ordinary course, (B) accelerated receivables, (C) delayed payables, or (D) changed in any material respect the Company's practices in connection with the payment of payables and/or the collection of receivables; (x) engaged in any one or more activities or transactions outside of the ordinary course of business; (xi) declared, set aside or paid any dividends, or made any distributions or other payments in respect of its equity securities, or repurchased, redeemed or otherwise acquired any such securities; (xii) amended its articles of incorporation (*jung-gwan*); (xiii) issued any capital stock or other securities, or granted, or entered into any agreement to grant, any options, convertible rights, other rights, warrants, calls or agreements relating to its capital stock; or (xiv) committed to do any of the foregoing.

2.7. Litigation. There is no claim, action, suit, proceeding, inquiry, investigation or arbitration by or before any governmental, regulatory, administrative, judicial or arbitral body pending or, to the Company's Knowledge, threatened (a) involving or affecting the Company,

the Business or any of the Purchased Assets or Assumed Liabilities; or (b) to restrain or prevent the consummation of the Transactions, and there is no basis for any of the foregoing.

2.8. Employees.

(a) Set forth on **Schedule 2.8(a)** hereto is a complete and accurate list of the following information for each employee, officer and director of the Company, including each employee on leave of absence or layoff status: name, address, job title, current base salary level, bonus, and date of hire; and vacation, sick leave or paid time off accrued. **Schedule 2.8(a)** also indicates the current employees anticipated to become an employee of Buyer on the Closing Date.

(b) Except as set forth on **Schedule 2.8(b)** hereto, there are no current employment or consulting Contracts by which the Company is bound in connection with the Business and no deferred compensation, bonus, incentive compensation, stock option, severance or termination pay Contract or plan or any other employee benefit plan or Contract, whether formal or informal, maintained, entered into or contributed to, or which is required to be maintained, entered into or contributed to, by the Company for the benefit of any current or former employee, officer or director of the Company, or with respect to which Company has any liability, contingent or otherwise, in connection with the Business (collectively, "**Benefit Plans**").

(c) None of the Company's employees, to the Company's Knowledge is obligated under any Contract (including licenses, covenants or commitments of any nature), or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of the Company or that would conflict with the Business. Neither the execution nor delivery of this Agreement, nor the carrying on of the Business by the employees of the Company, nor the conduct of the Business as proposed, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any Material Contract under which any of such employees is now obligated.

2.9. Material Contracts. **Schedule 2.9** lists each Material Contract and the parties thereto. Each Material Contract is valid, binding, in full force and effect, and enforceable in accordance with its terms. The Company has performed in all material respects all obligations required to be performed by it to date under each Material Contract. No event or condition exists or has occurred which violates, conflicts with, results in a breach of any provision of or the loss of any benefit under, constitutes a default (or an event which, with notice or lapse of time, or both, would constitute a default) on the part of any party under, results in the termination of or a right of termination or cancellation on the part of any party under, accelerates the performance required on the part of any party by, or results in the creation of any Lien upon any of the Purchased Assets under, any of the terms, conditions or provisions of any Material Contract. No party to any Material Contract is in default of such Material Contract (with or without notice or lapse of time or both). The Company has delivered to Buyer true and complete copies of all Material Contracts, including all amendments thereto. The Company has not been notified or advised by any party thereto of such party's intention or desire to terminate or modify any

Material Contract in any respect. Except as set forth on **Schedule 2.9**, no Material Contract terms were arrived at by or otherwise reflect less-than-arm's-length negotiations or bargaining.

2.10. Intellectual Property.

(a) **Schedule 2.10** hereto sets forth a complete list and description of all foreign and domestic patents, patent rights, trademarks, service marks, trade names, brands and copyrights (whether or not registered and, if applicable, including pending applications for registration) owned, used, licensed or controlled by the Company. To its knowledge (but without having conducted any special investigation or search), the Company owns or has the right to use, and shall as of the Closing Date own or have the right to use, any and all information, know-how, trade secrets, patents, copyrights, trademarks, tradenames, software, formulae, methods, processes and other intangible properties that are necessary or customarily used by the Company for the ownership, management or operation of the Purchased Assets ("**Intellectual Property**") including, but not limited to, the Intellectual Property listed on **Schedule 2.10** hereto.

(b) Except as set forth on **Schedule 2.10** hereto, (i) to its knowledge (but without having conducted any special investigation or search) the Company is the sole and exclusive owner of all right, title and interest in and to all of the Intellectual Property, and has the exclusive right to use and license the same, free and clear of any claim or conflict with the Intellectual Property of any other Person; (ii) no royalties, honorariums or fees are payable by the Company to any Person by reason of the ownership or use of any of the Intellectual Property; (iii) there have been no claims made or, to the Company's Knowledge, threatened, against the Company asserting the invalidity, abuse, misuse, or unenforceability of any of the Intellectual Property, and no grounds for any such claims exist, nor to the Company's Knowledge, is there any reasonable basis therefor; (iv) the Company has not made any claim of any violation or infringement by another Person of any of its Intellectual Property or interests therein (which claim has not previously been resolved in full) and no grounds for any such claim exists; (v) the Company has not received any notice that it is in conflict with or infringing upon the asserted intellectual property rights of any other Person in connection with the Intellectual Property, and to the Company's Knowledge, neither the use of the Intellectual Property nor the operation of the Company's Business is infringing or has infringed upon any intellectual property rights of any other Person; (vi) the Intellectual Property is sufficient for and includes all intellectual property rights necessary for the Company to lawfully conduct its business as presently being conducted; (vii) no interest in any of the Company's Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company to any Person other than Buyer pursuant to this Agreement; (viii) to the extent that any item constituting part of the Intellectual Property has been registered with, filed in or issued by, any Governmental Authority, such registrations, filings or issuances are listed on **Schedule 2.10** and were duly made and remain in full force and effect; (ix) there has not been any act or failure to act by the Company or, to the Company's Knowledge, by any of its directors, officers, employees, attorneys or agents during the prosecution or registration of, or any other proceeding relating to, any of the Intellectual Property or of any other fact which could render invalid or unenforceable, or negate the right to issuance of any of the Intellectual Property; (x) to the extent any of the Intellectual Property constitutes proprietary or confidential information, the Company has adequately safeguarded such information from disclosure; and (xi) all of the Company's current Intellectual Property will remain in full force and effect following the Closing without alteration or impairment.

(c) There are no outstanding options, licenses or other Contracts of any kind relating to the Intellectual Property, nor is the Company bound by or a party to any option, license or other Material Contract of any kind with respect to the Intellectual Property of any other Person. The Company has a valuable body of trade secrets, including know-how, concepts and other technical data (the "**Proprietary Information**") for the development, manufacture and sale of its products and services. The Company has the right to use the Proprietary Information free and clear of any Liens, except that the possibility exists that another Person may have independently developed trade secrets or technical information similar or identical to those of the Company. The Company is not aware of any such independent development or of any misappropriation of its Proprietary Information. It is not, nor to the Company's Knowledge, will it be necessary to utilize any inventions of any of the Company's employees made prior to their employment by the Company, except for inventions that have been assigned or licensed to the Company as of the date hereof.

(d) Each item of Intellectual Property owned or used by the Company immediately prior to the Closing will be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder.

2.11. Brokers. No broker, finder or agent will have any claim against Buyer for any fees or commissions in connection with the Transactions based on arrangements made by or on behalf of the Company.

2.12. Product Warranty. Each product manufactured, sold, leased, or delivered by the Company has been in conformity with all applicable contractual commitments and all express and implied warranties, and the Company has no outstanding liability (and, to the Company's Knowledge, there is no basis for any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand giving rise to any liability) for replacement or repair thereof or other damages in connection therewith.

2.13. Real Property.

(a) The Company does not own any real property.

(b) **Schedule 2.13(b)** sets forth a list of all leases, licenses or similar Contracts relating to the Company's current or former use or occupancy of real estate owned by a third party ("**Leases**"), true and correct copies of which have previously been furnished to Buyer, in each case setting forth (i) the lessor and lessee thereof and the commencement date, term and renewal rights under each of the Leases, and (ii) the street address and legal description of each property covered thereby (the "**Leased Premises**"). The Leases and all guaranties with respect thereto, are in full force and effect and have not been amended in writing or otherwise, and no party thereto is in default or breach under any such Lease. No event has occurred which, with the passage of time or the giving of notice or both, would cause a material breach of or default under any of such Leases. Neither the Company nor its agents or employees have received written notice of any claimed abatements, offsets, defenses or other bases for relief or adjustment. The Company has received the written consent of each lessor to assign each Lease to Buyer on the Closing Date.



(c) With respect to each Leased Premises, the Company has a valid leasehold interest in the Leased Premises, free and clear of any covenants, easements, title defects or other Liens that have had or could have an adverse effect on the Company's use and occupancy of the Leased Premises; (ii) the portions of the buildings located on the Leased Premises that are used in the Business of the Company are each in good repair and condition, normal wear and tear excepted, and are in the aggregate sufficient to satisfy the Company's current and reasonably anticipated normal business activities as conducted thereon; (iii) each of the Leased Premises (A) has direct access to public roads or access to public roads by means of a perpetual access easement, such access being sufficient to satisfy the current transportation requirements of the business presently conducted at such parcel; and (B) is served by all utilities in such quantity and quality as are necessary and sufficient to satisfy the current normal business activities conducted at such parcel; and (iv) the Company has not received notice of (A) any condemnation, eminent domain or similar proceeding affecting any portion of the Leased Premises or any access thereto, and no such proceedings are contemplated, (B) any special assessment or pending improvement Liens to be made by any Governmental Authority which may affect any of the Leased Premises, or (C) any violations of building codes and/or zoning ordinances or other governmental regulations with respect to the Leased Premises.

2.14. Compliance with Law. Except as otherwise set forth in **Schedule 2.14** hereto, to the Company's Knowledge, the Company is and has been in compliance in all respects with any and all Applicable Laws applicable to the Company. Except as otherwise set forth in **Schedule 2.14** hereto, the Company (a) has not received or entered into any citations, complaints, consent orders, compliance schedules, or other similar enforcement orders or received any written notice from any Governmental Authority or any other written notice that would indicate that there is not currently compliance with all such Applicable Laws, except for failures to so comply that would not have an adverse effect on the business, operations, prospects, Purchased Assets, properties or financial condition of the Company, and (b) is not in default under, and no condition exists (whether covered by insurance or not) that with or without notice or lapse of time or both would constitute a default under, or breach or violation of, any Applicable Law or Permit applicable to the Company. Without limiting the generality of the foregoing, the Company has not received notice of and there is no basis for, any claim, action, suit, investigation or proceeding that might result in a finding that the Company is not or has not been in compliance with Applicable Laws relating to (w) the development, testing, manufacture, packaging, distribution and marketing of products, (x) employment, safety and health, and/or (y) environmental protection, building, zoning and land use.

2.15. Absence of Certain Business Practices. Neither (a) the Company, nor (b) to the Company's Knowledge, any agent of, Affiliate of, or other Person acting on behalf of or associated with the Company, acting alone or together, has (x) received, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, regardless of their nature or type, from any customer, or supplier, or any employee or agent of any customer or supplier; or (y) directly or indirectly given or agreed to give any money, gift or similar benefit to any customer, supplier, employee or agent of any customer or supplier, any official or employee of any government (domestic or foreign), or any political party or candidate for office (domestic or foreign), or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist the Company in connection with any actual or proposed transaction), in each case which (i) may reasonably be expected to subject the

Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, may have had Material Adverse Effect, or (iii) if not continued in the future, may have a Material Adverse Effect.

2.16. Permits; Environmental Matters.

(a) Except as otherwise set forth on **Schedule 2.16(a)** hereto, the Company has, to its Knowledge, all Permits necessary for the Company to own, operate, use and/or maintain the Purchased Assets and to conduct its Business and operations as presently conducted and as expected to be conducted in the future, and all such Permits will be assigned or otherwise transferred to Buyer on the Closing Date if allowed under Applicable Laws. Except as otherwise set forth on **Schedule 2.16(a)** hereto, all such Permits are in effect, no proceeding is pending or threatened to modify, suspend or revoke, withdraw, terminate, or otherwise limit any such Permits, and no administrative or governmental actions have been taken or threatened in connection with the expiration or renewal of such Permits which could adversely affect the ability of the Company to own, operate, use or maintain any of the Purchased Assets or to conduct its Business and operations as presently conducted and as expected to be conducted in the future. Except as otherwise set forth in **Schedule 2.16(a)** hereto, (i) no violations have occurred that remain uncured, unwaived, or otherwise unresolved, or are occurring in respect of any such Permits, other than inconsequential violations, and (ii) to the Company's Knowledge no circumstances exist that would prevent or delay the obtaining of any requisite consent, approval, waiver or other authorization of the Transactions with respect to such Permits that by their terms or under applicable law may be obtained only after Closing.

(b) Except as set forth on **Schedule 2.16(b)** hereto, there are no pending or, to the Company's Knowledge, claims, liabilities, investigations, litigation, administrative proceedings, judgments or orders against the Company or any property leased by the Company relating to any Hazardous Materials (collectively called "**Environmental Claims**"). Neither the Company nor, to the Company's Knowledge, any prior owner, lessee or operator of said real property, has caused or permitted any Hazardous Material to be used, generated, reclaimed, transported, released, treated, stored or disposed of in a manner which could form the basis for an Environmental Claim against the Company or Buyer. Except as set forth on **Schedule 2.16(b)** hereto, the Company has not assumed any liability of any Person for cleanup, compliance or required capital expenditures in connection with any Environmental Claim.

2.17. Capitalization.

(a) The copies of the articles of incorporation of the Company provided to Buyer are true, accurate, and complete and reflect all amendments thereto made through the date hereof. The Company's stock and minute books made available to Buyer for review were correct and complete as of the date of such review, no further entries have been made through the date hereof, and all corporate actions taken by the Company have been duly authorized or ratified. All accounts, books, ledgers and official and other records of the Company fairly and accurately reflect all of the Company's transactions, properties, assets and liabilities.

(b) Except as set forth on **Schedule 2.17**, the Company does not own, directly or indirectly, any outstanding voting securities of or other interests in any other Person.

2.18. Taxes. The Company has filed all Tax Returns that it was required to file and copies of all such Tax Returns have been delivered to Buyer. All such Tax Returns were correct and complete in all respects. All Taxes owed by the Company (whether or not shown on any Tax Return and whether or not any Tax Return was required) have been paid. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by a taxing authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Liens on any of the assets of the Company that arose in connection with any failure (or alleged failure) to pay any Tax, except for Liens for Taxes not yet due.

2.19. Transactions with Affiliates. Except as set forth on **Schedule 2.19** hereto and except for normal advances to employees consistent with past practices, payment of compensation for employment to employees consistent with past practices, and participation in scheduled Benefit Plans by employees, the Company has not purchased, acquired or leased any property or services from, or sold, transferred or leased any property or services to, or loaned or advanced any money to, or borrowed any money from, or entered into or been subject to any management, consulting or similar contract or agreement with, or engaged in any other significant transaction with the Stockholder or any other officer, director or shareholder of the Company or any of their respective Affiliates. Except as set forth on **Schedule 2.19** hereto, neither the Stockholder nor any Affiliate of the Company is indebted to the Company for money borrowed or other loans or advances, and the Company is not so indebted to the Stockholder or any Affiliate.

2.20. Disclosure. The information furnished by the Company to Buyer pursuant to this Agreement (including, without limitation, information contained in the schedules and exhibits hereto, the instruments referred to in such schedules and exhibits, and the certificates and other documents to be executed or delivered pursuant hereto by the Company at or prior to the Closing) is not, nor at the Closing will be, false or misleading in any material respect, or contains, or at the Closing will contain, any misstatement of material fact, or omits, or at the Closing will omit, to state any material fact required to be stated therein in order to make the statements therein not misleading.

2.21. Solvency.

(a) The Company is not now insolvent and will not be rendered insolvent by any of the Transactions. As used in this section, "insolvent" means that the sum of the debts and other probable liabilities of the Company exceeds the present fair saleable value of the Company's assets.

(b) The Company has not commenced any proceedings under any bankruptcy, reorganization, composition, arrangements, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and there has not been commenced against the Company any such proceedings. The Company has not suspended payment of its debts generally as they become due (except debts contested in good faith).

**ARTICLE III**  
**REPRESENTATIONS AND WARRANTIES OF STOCKHOLDER**

The Stockholder hereby represents and warrants to Buyer as of the date hereof and as of the Closing Date that the statements contained in this Article III are true and correct, except as set forth in the schedules attached hereto.

3.1. Assets. With the exception of this Agreement, there are no outstanding options, letters of intent, contracts or other agreements, arrangements or understandings (written or oral) of any kind relating to the sale, transfer, assignment, lease, encumbrance or other disposition of any of the Purchased Assets of any interest therein.

3.2. Intellectual Property.

(a) **Schedule 2.10** hereto sets forth a complete list and description of all foreign and domestic patents, patent rights, trademarks, service marks, trade names, brands and copyrights (whether or not registered and, if applicable, including pending applications for registration) owned, used, licensed or controlled by the Company. To Stockholder's Knowledge (but without having conducted any special investigation or search), the Company owns or has the right to use, and shall as of the Closing Date own or have the right to use, any and all information, know-how, trade secrets, patents, copyrights, trademarks, tradenames, software, formulae, methods, processes and other intangible properties that are necessary or customarily used by the Company for the ownership, management or operation of the Purchased Assets ("**Intellectual Property**") including, but not limited to, the Intellectual Property listed on **Schedule 2.10** hereto.

(b) As to the Intellectual Property set forth on **Schedule 2.10** hereto, (i) to Stockholder's Knowledge (but without having conducted any special investigation or search) the Company is the sole and exclusive owner of all right, title and interest in and to all of the Intellectual Property, and has the exclusive right to use and license the same, free and clear of any claim or conflict with the Intellectual Property of any other Person; (ii) no royalties, honorariums or fees are payable by the Company to any Person by reason of the ownership or use of any of the Intellectual Property; (iii) there have been no claims made or, to the Stockholder's Knowledge, threatened, against the Company asserting the invalidity, abuse, misuse, or unenforceability of any of the Intellectual Property, and no grounds for any such claims exist, nor to the Stockholder's Knowledge, is there any reasonable basis therefor; (iv) the Company has not made any claim of any violation or infringement by another Person of any of its Intellectual Property or interests therein (which claim has not previously been resolved in full) and no grounds for any such claim exists; (v) the Company has not received any notice that it is in conflict with or infringing upon the asserted intellectual property rights of any other Person in connection with the Intellectual Property, and, to the Stockholder's Knowledge, neither the use of the Intellectual Property nor the operation of the Company's Business is infringing or has infringed upon any intellectual property rights of any other Person; (vi) the Intellectual Property is sufficient for and includes all intellectual property rights necessary for the Company to lawfully conduct its business as presently being conducted; (vii) no interest in any of the Company's Intellectual Property has been assigned, transferred, licensed or sublicensed by the Company to any Person other than Buyer pursuant to this Agreement; (viii) to the extent that any

item constituting part of the Intellectual Property has been registered with, filed in or issued by, any Governmental Authority, such registrations, filings or issuances are listed on **Schedule 2.10** and were duly made and remain in full force and effect; (ix) there has not been any act or failure to act by the Company or, to the Stockholder's Knowledge, by any of its directors, officers, employees, attorneys or agents during the prosecution or registration of, or any other proceeding relating to, any of the Intellectual Property or of any other fact which could render invalid or unenforceable, or negate the right to issuance of any of the Intellectual Property; (x) to the extent any of the Intellectual Property constitutes proprietary or confidential information, the Company has adequately safeguarded such information from disclosure; and (xi) all of the Company's current Intellectual Property will remain in full force and effect following the Closing without alteration or impairment.

(c) There are no outstanding options, licenses or other Contracts of any kind relating to the Intellectual Property, nor is the Company bound by or a party to any option, license or other Material Contract of any kind with respect to the Intellectual Property of any other Person. The Company has a valuable body of trade secrets, including know-how, concepts and other technical data (the "**Proprietary Information**") for the development, manufacture and sale of its products and services. The Company has the right to use the Proprietary Information free and clear of any Liens, except that the possibility exists that another Person may have independently developed trade secrets or technical information similar or identical to those of the Company. The Stockholder is not aware of any such independent development or of any misappropriation of its Proprietary Information. It is not, nor to the Stockholder's Knowledge, will it be necessary to utilize any inventions of any of the Company's employees made prior to their employment by the Company, except for inventions that have been assigned or licensed to the Company as of the date hereof.

(d) Each item of Intellectual Property owned or used by the Company immediately prior to the Closing will be owned or available for use by Buyer on identical terms and conditions immediately subsequent to the Closing hereunder

3.3. Authority. The Stockholder has full power and legal capacity to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents and to consummate the Transactions. This Agreement has been, and upon their execution each of the other applicable Transaction Documents will be, duly executed and delivered by the Stockholder, and is, and upon execution each of the other applicable Transaction Documents will be, legal, valid, binding and enforceable upon and against the Stockholder.

3.4. No Stockholder Conflict. Except as otherwise set forth in **Schedule 3.4** hereto, the execution and delivery of this Agreement and the other Transaction Documents to which the Stockholder is a party by the Stockholder and the performance by the Stockholder of his obligations hereunder and thereunder will not, to the Stockholder's Knowledge, violate any Applicable Law or any judgment, award or decree or any Material Contract to which the Stockholder is a party, or by which the properties or assets of the Stockholder are bound or affected, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under, any such Material Contract, in each case except to the extent that such violation, default or breach could not reasonably be expected to delay or otherwise significantly impair the ability of the Parties to consummate the Transactions.

## ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Company as of the date hereof and as of the Closing Date that the statements contained in this Article IV are true and correct, except as set forth in the schedules attached hereto.

4.1. Organization. Buyer is a limited liability company (*Yu-Han-Hoe-Sa* in Korean), duly organized, validly existing and in good standing under the laws of the Republic of Korea and has the corporate power to own and operate its properties and to carry on its business as now being conducted.

4.2. Authority and Enforceability. Buyer has full power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it will be a party. This Agreement has been, and upon their execution each of the other Transaction Documents to which Buyer will be a party will have been, duly executed and delivered by, Buyer, and this Agreement is, and upon their execution each of the other Transaction Documents to which Buyer will be a party will be, legal, valid, binding and enforceable upon and against Buyer.

4.3. Required Filings and Consents. The execution, delivery and performance by Buyer of this Agreement and each of the other Transaction Documents to which Buyer will be a party and the consummation by Buyer of the Transactions do not and will not require any consent or approval of, registration or filing with, or notice to any Governmental Authority.

4.4. Brokers. No broker, finder or agent will have any claim against the Company for any fees or commissions in connection with the Transactions based on arrangements made by or on behalf of Buyer.

## ARTICLE V OBLIGATIONS PRIOR TO CLOSING

From the date of this Agreement through the Closing:

5.1. Buyer's Access to Information and Properties. The Company shall permit Buyer and its authorized employees, agents, accountants, legal counsel and other representatives to have access to the books, records, employees, counsel, accountants, engineers and other representatives of the Company at all times reasonably requested by Buyer for the purpose of conducting an investigation of the Company's financial condition, corporate status, operations, prospects, business and properties. The Company shall make available to Buyer for examination and reproduction all documents and data of every kind and character relating to the Company in possession or control of, or subject to reasonable access by, the Company, including, without limitation, all files, records, data and information relating to the Purchased Assets (whether stored in paper, magnetic or other storage media) and all Contracts, assignments, certificates, orders, and amendments thereto. Also, the Company shall allow Buyer access to, and the right to inspect, the Purchased Assets, except to the extent that such Purchased Assets are operated by a

third-party operator, in which case the Company shall use its best efforts to cause the operator of such Purchased Assets to allow Buyer access to, and the right to inspect, such Purchased Assets.

5.2. Company's Conduct of Business and Operations. The Company shall keep Buyer advised as to all material operations and proposed material operations relating to the Company. The Company shall (a) conduct its Business in the ordinary course, (b) keep available the services of present employees, (c) maintain and operate its properties and Purchased Assets in a good and workmanlike manner, (d) pay or cause to be paid all costs and expenses (including but not limited to insurance premiums) incurred in connection therewith in a timely manner, (e) use reasonable efforts to keep all Material Contracts listed or required to be listed on **Schedule 2.9** hereto in full force and effect, (f) comply with all of the covenants contained in all such Material Contracts, (g) maintain in force until the Closing Date insurance policies equivalent to those in effect on the date hereof, and (h) comply in all material respects with all Applicable Laws. Except as otherwise contemplated by this Agreement, the Company will use its best efforts to preserve the present relationships of the Company with Persons having significant business relations therewith.

5.3. Notice Regarding Changes. The Company and/or the Stockholder shall promptly inform Buyer in writing of any change in facts and circumstances that could render any of the representations and warranties made herein by the Company and/or the Stockholder inaccurate or misleading if such representations and warranties had been made upon the occurrence of the fact or circumstance in question. Buyer shall promptly inform the Company in writing of any change in facts and circumstances that could render any of the representations and warranties made herein by it inaccurate or misleading if such representations and warranties had been made upon the occurrence of the fact or circumstance in question.

## ARTICLE VI CONDITIONS PRECEDENT TO CLOSING

6.1. Conditions Precedent to the Obligation of Buyer to Close. The obligation of Buyer to consummate the Transactions shall be subject, at its option, to the satisfaction of each of the following conditions precedent at or prior to the Closing:

(a) The Company shall have delivered to Buyer in form and substance satisfactory to Buyer such fully executed bills of sale, consents and authorizing resolutions, and other documents and instruments of assignment, transfer and conveyance as Buyer in its sole discretion deems necessary or desirable to transfer all of the Purchased Assets to Buyer in accordance with the provisions of this Agreement free and clear of all Liens.

(b) The representations and warranties of the Company and the Stockholder contained in this Agreement shall be true and correct in all material respects as if made on and as of the Closing Date, and the Company and the Stockholder shall have performed and satisfied in all material respects all agreements and covenants required by this Agreement to have been performed and satisfied by them at or prior to the Closing.

(c) The Company shall have delivered access to, or possession of, all of the Purchased Assets to Buyer.

(d) The Company shall have obtained any necessary consents and approvals of Governmental Authorities and all other Persons required in order for the Company and Buyer to consummate the Transactions in accordance with the terms of this Agreement.

(e) As of the Closing Date, no suit, action or other proceeding (excluding any such matter initiated by or on behalf of Buyer) shall be pending or threatened before any court or Governmental Authority seeking to restrain the Company or prohibit the Closing or seeking Damages against the Company or its properties or Purchased Assets as a result of the consummation of this Agreement.

(f) Since the Balance Sheet Date and up to and including the Closing, there shall not have been any event, circumstance, change or effect that, individually or in the aggregate, had or might have a Material Adverse Effect on the Company's business, operations, prospects, properties, Purchased Assets, or financial condition.

(g) All proceedings to be taken by the Company in connection with the Transactions and all documents incident thereto shall be satisfactory in form and substance to Buyer and its counsel, and Buyer and said counsel shall have received all such counterpart originals or certified or other copies of such documents as it or they may reasonably request.

(h) MasterImage USA shall have entered into the MasterImage USA Purchase Agreement and the transactions thereunder shall have been consummated in accordance with the terms thereof.

(i) Younghoon Lee shall have entered into a non-competition and non-solicitation agreement in form and substance satisfactory to Buyer (the "**Non-Competition Agreement**").

(j) Younghoon Lee shall have executed assignments, in form and substance satisfactory to Buyer, pursuant to which Younghoon Lee shall have transferred to the Company all Intellectual Property owned by him and/or registered in his name.

6.2. Conditions Precedent to the Obligation of Company to Close. The obligation of the Company to consummate the Transactions shall be subject, at its option, to the satisfaction of each of the following conditions precedent at or prior to the Closing:

(a) MasterImage 3D shall have entered into the MasterImage USA Purchase Agreement and the transactions thereunder shall have been consummated in accordance with the terms thereof.

(b) The Company shall have received payment of the Purchase Price in accordance with Section 1.4 hereof.

(c) The representations and warranties of Buyer contained in this Agreement shall be true in all material respects as if made on and as of the Closing Date.



(d) Buyer shall have obtained all necessary consents and approval of Governmental Authorities and all other Persons required in order for Company and Buyer to consummate the Transactions in accordance with the terms of this Agreement.

(e) All proceedings to be taken by Buyer in connection with the Transactions and all documents incident thereto shall be satisfactory in form and substance to the Company and its counsel and the Company and said counsel shall have received all such counterpart originals or certified or other copies of such documents as it or they may reasonably request.

## ARTICLE VII COVENANTS

### 7.1. Survival; Right to Indemnification Not Affected by Knowledge.

(a) The representations, warranties, covenants and obligations of the Company and the Stockholder contained in this Agreement (other than those waived in writing by Buyer) shall survive the Closing for a period of eighteen (18) months; provided, however, that (i) the representations, warranties, covenants and obligations in Section 2.8, Section 2.16, Section 2.18 and Section 7.10 shall survive the Closing for the same period as the applicable statute of limitations (after giving effect to any extensions or waivers) plus sixty (60) days; and (iii) the covenants and obligations in Section 7.7, Section 7.8, and Section 7.15 shall survive indefinitely. Any claim for indemnification under this Agreement made in writing prior to the expiration of the applicable survival period, and the rights of indemnity with respect thereto, shall survive such expiration until resolved or judicially determined. Any claim not made in writing prior to the expiration of the applicable survival period shall be deemed to have been waived. Said survival periods shall not apply to any breaches of or obligations to comply with any of the other provisions of this Agreement, regardless of whether such breach or obligation also constitutes a breach or obligation under any of the provisions specifically listed in this Section 7.1(a).

(b) The right to indemnification, payment of Losses (as defined below), or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation.

### 7.2. Indemnification and Payment of Losses by the Company and the Stockholder.

(a) The Company will indemnify and hold harmless Buyer and its shareholders (whether direct or indirect), members (whether direct or indirect), managers, directors, officers, employees, Affiliates, attorneys and agents (collectively, the "**Buyer Indemnified Persons**") from and against, and will pay to Buyer Indemnified Persons in accordance with Section 7.5(b), but subject to the limitations set forth in Section 7.4, the amount of, any loss, liability, claim, damage, expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim (collectively, "**Losses**"), arising, directly or indirectly, from or in connection with:

(i) Any breach of any representation or warranty made by the Company in this Agreement or as set forth in any other Transaction Document delivered by the Company pursuant to this Agreement;

(ii) Any breach or nonfulfillment by the Company of any agreement, covenant or obligation of the Company in this Agreement or the other Transaction Documents;

(iii) The Excluded Assets;

(iv) The Retained Liabilities; and

(v) Any brokers or finders' fees arising with respect to brokers or finders retained or engaged by the Company in respect of the Transactions.

(b) The Stockholder will indemnify and hold harmless the Buyer Indemnified Persons from and against, and will pay to the Buyer Indemnified Persons in accordance with Section 7.5(b), but subject to the limitations set forth in Section 7.4, the amount of, any Losses arising, directly or indirectly, from or in connection with any breach of any representation or warranty set forth in Section 3.1 and Section 3.2 (collectively, the "**Stockholder Losses**"). Buyer acknowledges and agrees that the Stockholder shall not have any obligation to indemnify the Buyer Indemnified Persons from and against any Losses other than the Stockholder Losses as limited by Section 7.4.

7.3. Indemnification and Payment of Losses by Buyer. Buyer will indemnify and hold harmless the Company and its attorneys, accountants and agents (collectively the "**Company Indemnified Persons**") from and against, and will pay to the Company Indemnified Persons in accordance with Section 7.5(c), but subject to the limitations set forth in Section 7.4, the amount of any Losses arising, directly or indirectly, from or in connection with:

(a) Any breach of any representation or warranty made by Buyer in this Agreement or any Transaction Document delivered by Buyer pursuant to this Agreement;

(b) Any breach or nonfulfillment by Buyer of any agreement, covenant or obligation of Buyer in this Agreement; and

(c) Any brokers or finders' fees arising with respect to brokers or finders retained or engaged by Buyer in respect of the Transactions.

7.4. Limitations on Indemnification.

(a) In the absence of fraud, willful misrepresentation or intentional misconduct, neither the Company nor Buyer shall have any liability for indemnification pursuant to this Agreement unless and until the amount of Losses for which the Indemnifying Party (as defined below) would otherwise be liable exceeds Seventy-Five Thousand Dollars (\$75,000) in the aggregate (the "**Indemnity Threshold**"); provided, however, that once the Losses exceed the Indemnity Threshold, the liability for indemnification shall include all Losses relating back to the first dollar (*i.e.*, including the Seventy-Five Thousand Dollars (\$75,000) sum).

(b) In the absence of fraud, willful misrepresentation or intentional misconduct, the Stockholder shall not have any liability for indemnification pursuant to this Agreement unless and until the amount of Losses for which the Stockholder would otherwise be liable exceeds One Million Dollars (\$1,000,000) (the “**Stockholder Indemnity Threshold**”); provided, however, that once the Losses exceed the Stockholder Indemnity Threshold, the Stockholder’s liability for indemnification shall include all Losses relating back to the first dollar (*i.e.*, including the One Million Dollar (\$1,000,000) sum). The Stockholder is not obligated to provide any indemnification under this Agreement for any claim with a loss amount below the Stockholder Indemnify Threshold amount regardless of whether the Stockholder Indemnify Threshold has been met for another claim.

(c) In the absence of fraud, willful misrepresentation or intentional misconduct, and except as set forth in Sections 7.4(e) and 7.4(f), the liability for indemnification by the Company and the Stockholder, taken together, shall not exceed the Escrow Amount.

(d) In the absence of fraud, willful misrepresentation or intentional misconduct, the liability for indemnification by Buyer shall not exceed the Purchase Price.

(e) Notwithstanding anything in this Agreement to the contrary, the limitations on the Company’s indemnification obligations as set forth in Sections 7.4(a) and 7.4(c) shall not apply with respect to, and the Company shall indemnify the Buyer Indemnified Parties for the entirety of, any Losses arising, directly or indirectly, from or in connection with:

(i) Any action, suit, proceeding, hearing, investigation, charge, complaint, or claim by any current or former stockholder or holder of indebtedness of the Company, including, without limitation, NextVenture Investment Fund, CJ CGV Co., Ltd., and L&S Venture Capital Co., Ltd.;

(ii) Any action, suit, proceeding, hearing, investigation, charge, complaint, or claim by PureDepth, Inc. or any affiliate thereof; and

(iii) Any failure by the Company to obtain and transfer to Buyer the Outstanding Co-Owned Patents as set forth in Section 7.17.

With respect to Losses under this Section 7.4(e) (such Losses, the “**Company Unlimited Losses**”), Buyer shall pay for all such legal fees and expenses with funds first from the Escrow Amount and then from Buyer directly if there are no funds left in the Escrow Amount. If (i) Buyer enters litigation regarding any Company Unlimited Losses, and (ii) Buyer is not the prevailing party in a final adjudication, then the Company shall indemnify Buyer Indemnified Parties for the Company Unlimited Losses, including reimbursing Buyer for all legal fees and expenses relating to such Company Unlimited Losses. The Company shall be an “Indemnifying Party” under Section 7.5(d) for all Company Unlimited Losses, with the power to defend, manage and conduct any proceedings, negotiations or communications involving claims for Company Unlimited Losses. Buyer may not settle any claim relating to Company Unlimited Losses without the prior written consent of the Company.

(f) Notwithstanding anything in this Agreement to the contrary, the limitations on the Stockholder's indemnification obligations as set forth in Sections 7.4(b) and 7.4(c) shall not apply with respect to, and the Stockholder shall indemnify the Buyer Indemnified Parties for the entirety of, any Losses arising, directly or indirectly, from or in connection with any breach of the representations and warranties set forth in Section 3.1. With respect to Losses under this Section 7.4(f) (such Losses, the "**Stockholder Unlimited Losses**"), Buyer shall pay for all such legal fees and expenses with funds first from the Escrow Amount and then from Buyer directly if there are no funds left in the Escrow Amount. If (i) Buyer enters litigation regarding any Stockholder Unlimited Losses, and (ii) Buyer is not the prevailing party in a final adjudication, then the Stockholder shall indemnify Buyer Indemnified Parties for the Stockholder Unlimited Losses, including reimbursing Buyer for all legal expenses relating to such Stockholder Unlimited Losses. The Stockholder shall be an "Indemnifying Party" under Section 7.5(d) for all Stockholder Unlimited Losses, with the power to defend, manage and conduct any proceedings, negotiations or communications involving claims for Stockholder Unlimited Losses. Buyer may not settle any claim relating to Stockholder Unlimited Losses without the prior written consent of the Stockholder.

7.5. Payment of Claims.

(a) On the Closing Date, MasterImage 3D will deliver to the Escrow Agent the sum of Two Million, Six Hundred Fifty Thousand Dollars (\$2,650,000) (the "**Escrow Amount**") in next day funds, which shall be drawn from amounts that would otherwise be used to fund the working capital needs of Buyer.

(b) Any indemnification to which Buyer is entitled under this Agreement shall first be made as a payment to Buyer from the Escrow Amount. To the extent that the amount of Buyer's Losses exceeds the Escrow Amount for (i) any Company Unlimited Losses, the Company shall pay the remaining amount to Buyer, and (ii) any Stockholder Unlimited Losses, the Stockholder shall pay the remaining amount to Buyer. In the absence of fraud, willful misrepresentation or intentional misconduct, to the extent that any Losses other than Company Unlimited Losses and Stockholder Unlimited Losses exceed the Escrow Amount, the Company and the Stockholder shall have no liability to indemnify Buyer. Any payment made to Buyer by the Company or the Stockholder pursuant to this Section 7.5(b) shall constitute a reduction of the Purchase Price.

(c) Any indemnification to which the Company is entitled under this Agreement shall be paid to the Company.

(d) For purposes of this Section 7.5(d), a Party making a claim for indemnity under this Agreement is hereinafter referred to as an "**Indemnified Party**," and the Party against whom such claim is asserted is hereinafter referred to as the "**Indemnifying Party**." All claims by any Indemnified Party under this Agreement shall be asserted and resolved in accordance with the following provisions. If any claim or demand for which an Indemnifying Party would be liable to an Indemnified Party is asserted against or sought to be collected from such Indemnified Party by such third party, said Indemnified Party shall with reasonable promptness notify in writing the Indemnifying Party of such claim or demand stating with reasonable specificity the circumstances of the Indemnified Party's claim for indemnification; provided,

however, that any failure to give such notice will not waive any rights of the Indemnified Party except to the extent the rights of the Indemnifying Party are actually prejudiced or to the extent that any applicable period set forth in Section 7.1 has expired without such notice being given. After receipt by the Indemnifying Party of such notice, then upon reasonable notice from the Indemnifying Party to the Indemnified Party, or upon the request of the Indemnified Party, the Indemnifying Party shall defend, manage and conduct any proceedings, negotiations or communications involving any claimant whose claim is the subject of the Indemnified Party's notice to the Indemnifying Party as set forth above, and shall take all actions necessary, including but not limited to the posting of such bond or other security as may be required by any Governmental Authority, so as to enable the claim to be defended against or resolved without expense or other action by the Indemnified Party. Upon request of the Indemnifying Party, the Indemnified Party shall, to the extent it may legally do so and to the extent that it is compensated in advance by the Indemnifying Party for any costs and expenses thereby incurred, (i) take such action as the Indemnifying Party may reasonably request in connection with such action, (ii) allow the Indemnifying Party to dispute such action in the name of the Indemnified Party and to conduct a defense to such action on behalf of the Indemnified Party, and (iii) render to the Indemnifying Party all such assistance as the Indemnifying Party may reasonably request in connection with such dispute and defense.

7.6. Rights and Remedies. The Parties agree that the indemnification provisions set forth above shall not limit any rights and remedies available to each Party at law or in equity. Each Party has the right, in its sole discretion, to determine which rights and remedies are to be exercised and in which order. The exercise of one right or remedy shall not preclude the exercise of any others, all of which shall be cumulative.

7.7. Further Assurances. Each of the Parties agrees to work diligently, expeditiously and in good faith to consummate the Transactions. From time to time after the Closing Date, the Company shall execute and deliver to Buyer such instruments of sale, transfer, conveyance, assignment, consent, assurance, power of attorney, and other instruments as may be reasonably requested by Buyer in order to vest in Buyer all right, title, and interest in and to the Purchased Assets and the Business. Buyer and Company shall each provide the other with such assistance as reasonably may be requested by the other in connection with the transition of the Business and the preparation of any Tax Return, an audit or examination of any such Tax Return by any taxing authority or any judicial or administrative proceeding relating to liability for Taxes, and shall each retain and provide the other with any records or other information which may be relevant to such a return, audit, examination or proceeding.

7.8. Delivery of Property Received by the Company After Closing. From and after the Closing, Buyer shall have the right and authority to collect, for the account of Buyer, all receivables and other items which shall be transferred or are intended to be transferred to Buyer as part of the Purchased Assets as provided in this Agreement, and to endorse with the name of the Company any checks or drafts received on account of any such receivables or other Purchased Assets. The Company agrees that it will transfer or deliver to Buyer, promptly after the receipt thereof, any cash or other property which the Company receives after the Closing Date in respect of any Material Contracts, licenses, leases, commitments, claims, sales orders, purchase orders, or receivables of any character or any other items transferred or intended to be transferred to Buyer as part of the Purchased Assets under this Agreement.

7.9. Assignment of Contracts. At the option of Buyer, and notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an assignment of any Contract, agreement, claim, license, franchise, lease, commitment, sales order, purchase order or purchase commitment if an attempted assignment thereof without the consent of a third party thereto would constitute a breach thereof or in any way adversely affect the rights of Buyer thereunder. If such consent is not obtained, or if any attempt at an assignment thereof would be ineffective or would affect the rights of the Company thereunder so that Buyer would not in fact receive all such rights, the Company shall cooperate with Buyer to the extent necessary to provide for Buyer the benefits under such Contract, agreement, claim, license, franchise, lease, commitment, sales order, purchase order or purchase commitment, including enforcement for the benefit of Buyer of any and all rights of the Company against a third party thereto arising out of the breach or cancellation by such third party or otherwise.

7.10. Taxes.

(a) The Company shall bear its own Tax liabilities incurred in connection with the sale of the Purchased Assets. The Company acknowledges and agrees that all transfer, documentary, sales, use, stamp, registration, capital gains, and other Taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be paid by the Company or the Stockholder, as applicable, when due, and the Company will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration, capital gains, and other Taxes and fees, and, if required by applicable law, Buyer will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) The Company shall bear its own Tax liabilities with respect to (i) any Taxes on the Company; (ii) any Taxes on the Business or the Purchased Assets allocable to any taxable period ending on or prior to the Closing Date; and (iii) with respect to any taxable period that begins before and ends after the Closing Date, any Taxes on the Business or the Purchased Assets allocable to that portion of such taxable period prior to and including the Closing Date.

7.11. Costs and Expenses. Each of the Parties to this Agreement shall bear his or its own expenses incurred in connection with the negotiation, preparation, execution and closing of this Agreement and the Transactions.

7.12. Accounts Receivable; Receipts. If the Company receives any payments subsequent to the Closing Date relating to any account receivable that is a Purchased Asset, such payment shall be the property of, and shall be forwarded and remitted to Buyer immediately upon receipt thereof. The Company shall, and shall cause its Affiliates to, advise Buyer of any counterclaims or set-offs that arise subsequent to the Closing Date with respect to any account receivable that is a Purchased Asset.

7.13. No Shop. From the date of this Agreement until the earlier of (a) the Closing Date, or (b) the termination of this Agreement, the Company shall not, and the Company shall cause the Company's stockholders, officers, directors, employees and other agents not to, directly or indirectly, take any action to solicit, initiate or encourage any offer or proposal or indication of interest in a merger, consolidation or other business combination involving any

equity interest in, or a substantial portion of the assets of the Company, other than in connection with the Transactions. The Company shall immediately advise Buyer of the terms of any offer, proposal or indication of interest that it receives or otherwise becomes aware of.

7.14. Name Change. The Company hereby represents, warrants and covenants to Buyer that the corporate name of the Company is as set forth on the signature page hereof and further agrees and acknowledges that such name and all rights thereto are included with the Purchased Assets and that the exclusive right to use such name will be transferred to Buyer on the Closing Date. The Company shall, within fourteen (14) business days following the Closing, file an appropriate amendment to the Company's Certificate of Incorporation changing its name to a name which is in no way similar to the corporate name set forth on the signature page hereof and shall furnish such written consents and assignments as Buyer shall hereafter reasonably request in connection with such name change. After the Closing, the Company shall not, directly or indirectly, use or do business, or assist any third party in using or doing business, under the names and marks "MasterImage" or any of the other names or marks primarily used by the Business prior to the Closing (or any other name confusingly similar to such names and marks).

7.15. Confidentiality.

(a) Prior to the Closing, Buyer shall, and shall cause its Affiliates, employees, agents, accountants, legal counsel and other representatives and advisers (collectively "**Representatives**") to, hold in strict confidence all, and not divulge or disclose any, information of any kind concerning the Company and its business; provided, however, that the foregoing obligation of confidence shall not apply to (i) information that is or becomes generally available to the public other than as a result of a disclosure by Buyer or its Affiliates or any of its or their Representatives, (ii) information that is or becomes available to Buyer or any of its or their Representatives on a nonconfidential basis prior to its disclosure by Buyer or any of its Representatives, and (iii) information that is required to be disclosed by Buyer or any of its Representatives as a result of any applicable law, rule or regulation of any Governmental Authority; and provided, further, that Buyer shall promptly notify the Company of any disclosure pursuant to clause (iii) of this Section 7.15(a); and provided, further, however, that the foregoing confidentiality obligation shall not apply to the furnishing of information by Buyer in bona fide discussions or negotiations with prospective lenders or equity investors.

(b) The Company and the Stockholder shall, and shall cause their respective Representatives to, hold in strict confidence all, and not divulge or disclose any, information of any kind concerning the Transactions, the Company, Buyer or their respective businesses; provided, however, that the foregoing confidentiality obligation shall not apply to (i) information that is or becomes generally available to the public other than as a result of a disclosure by the Company, the Stockholder or any of their respective Representatives, (ii) information that is or becomes available to the Company, the Stockholder or any of their respective Representatives after the Closing on a nonconfidential basis prior to its disclosure by the Company, the Stockholder or any of their respective Representatives, and (iii) information that is required to be disclosed by the Company, the Stockholder or any of their respective Representatives as a result of any applicable law, rule or regulation of any Governmental Authority; and provided, further, that the Company shall promptly shall notify Buyer of any disclosure pursuant to clause (iii) of this Section 7.15(b).

7.16. Non-Compete. From and after the Closing, the Company shall not, directly or indirectly, compete with or acquire any interest in any Person that competes with the Business as conducted as of the Closing Date. From and after the Closing, (i) all materials provided by the Company to Buyer containing information with respect to the Business and the Transferred Assets shall be the sole property of Buyer, and (ii) the Company shall not make any use of such information in any way detrimental to Buyer or the Business.

7.17. Co-Owned Intellectual Property.

(a) The Parties acknowledge that as of the date hereof:

(i) The domestic patent rights described by patent application number 10-2008-0025385 and the foreign patent rights described by patent application number PCT/KR2009/001392 and 98108641 (Taiwan) are jointly owned by the Company and I-Station Corporation (the "**I-Station Co-Owned Patent**");

(ii) The domestic patent rights described by patent application number 10-2007-0001346 are jointly owned by the Company and Salux (the "**Salux Co-Owned Patent**"); and

(iii) The domestic patent rights described by patent application number 10-2008-0054215 and the foreign patent rights described by patent application number PCT/KR2009/003073 and 98119428 (Taiwan) are jointly owned by the Company and Praotech (the "**Praotech Co-Owned Patent**").

(b) With respect to the I-Station Co-Owned Patent, the Company shall, at the Closing, deliver to Buyer (i) an assignment of the Company's co-ownership interest; and (ii) an assignment of I-Station's co-ownership interest such that after the Closing Date, Buyer shall have sole ownership of all right, title and interest in and to the I-Station Co-Owned Patent.

(c) With respect to the Salux Co-Owned Patent and the Praotech Co-Owned Patent (each, an "**Outstanding Co-Owned Patent**"), the Company shall use its best efforts to obtain and transfer to Buyer, as promptly as practicable under the circumstances, the sole ownership of each Outstanding Co-Owned Patent by obtaining an assignment from each of Salux and Praotech (each, an "**IP Co-Owner**"). If the Company cannot obtain an assignment of the co-ownership rights of Salux and Praotech, the Company shall promptly transfer to Buyer the Company's co-ownership rights in and to each Outstanding Co-Owned Patent by obtaining either the consent of Salux and Praotech to such transfer or a court decision allowing such transfer. For the avoidance of doubt, in case Buyer has, with the approval of the Board of Directors of MasterImage 3D, abandoned efforts to acquire any interest in the Outstanding Co-Owned Patents, the Company shall not be obligated to obtain and transfer to Buyer the Outstanding Co-Owned Patents as set forth herein.

(d) After all the items payable on the balance sheet of the Company as of the Closing Date have been paid in full, the Company shall reserve the amount collected by the Company from its accounts receivable less (i) any costs associated therewith and (ii) overhead costs allocated thereto as reserved funds until the total amount is equal to \$600,000 (the "**Co-**



**Owned Patent Reserve**”), which amount shall remain in the Company’s bank account until such time as (i) Buyer has acquired sole ownership of all Outstanding Co-Owned Patents, (ii) Company has transferred its co-ownership rights of the all Outstanding Co-Owned Patents to Buyer, or (iii) Buyer has, with the approval of the Board of Directors of MasterImage 3D, abandoned efforts to acquire any interest in the Outstanding Co-Owned Patents, at which time any funds remaining in the Co-Owned Patent Reserve shall be made available for use by the Company.

(e) The following shall apply with respect to the costs of obtaining the sole ownership of each Outstanding Co-Owned Patent or obtaining the consent (whether from the IP Co-Owners or a court) to transfer the Company’s co-ownership rights in and to each Co-Owned Patent to Buyer:

(i) If the aggregate amount required to (A) obtain the sole ownership of all Outstanding Co-Owned Patents or (B) obtain each IP Co-Owner’s consent to transfer the Company’s interest therein is less than or equal to Three Hundred Thousand Dollars (\$300,000), Younghoon Lee may authorize such expenditure using funds drawn from the Company’s Co-Owned Patent Reserve.

(ii) If the aggregate amount required to (A) obtain the sole ownership of all Outstanding Co-Owned Patents or (B) obtain each IP Co-Owner’s consent to transfer the Company’s interest therein is greater than Three Hundred Thousand Dollars (\$300,000), such expenditure must be authorized by the Board of Directors of MasterImage 3D. Such expenditure shall be drawn first from funds in the Company’s Co-Owned Patent Reserve and expenditures in excess of the Company’s Co-Owned Patent Reserve may be drawn from the Escrow Account in accordance with the procedures set forth in the Escrow Agreement.

7.18. Audit Rights. From and after the Closing Date, Buyer and its accountant shall have the right to audit and review the Company’s books, records and Financial Statements including, without limitation, those related to the Excluded Assets and Retained Liabilities. The Company shall make available to Buyer for examination and reproduction all documents and data of every kind and character relating to the Company and shall provide Buyer with copies of all Tax returns or filings from the Closing Date through liquidation.

7.19. Management Services Agreement. As soon as practicable after the Closing Date, but in any case no later than November 13, 2009, the Company and Buyer shall enter into an agreement (the “**Management Services Agreement**”) pursuant to which Buyer shall provide certain management services to the Company with respect to collection of accounts receivable, acquisition of Outstanding Co-Owned Patents, liquidation of the Company and any other services required until the Company is completely liquidated. As consideration for such services, the Company shall pay to Buyer a management services fee in an amount equal to Four Hundred Thousand Dollars (US \$400,000).

**ARTICLE VIII  
GENERAL PROVISIONS**

8.1. Amendment and Modification. This Agreement may not be amended, modified or supplemented except by an instrument in writing signed by the Parties and otherwise as expressly set forth herein.

8.2. Waiver. No failure or delay of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof. Any such waiver by a Party shall be valid only if set forth in writing by such Party.

8.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given only upon actual receipt by the addressee thereof. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

- (a) if to Company or the Stockholder, to:

MasterImage Co., Ltd.  
6<sup>th</sup> Fl., Vision Tower  
826-26 Yoksam-dong, Kangnam-gu  
Seoul, Korea  
Attention: Younghoon Lee  
Facsimile: 82-2-3447-9445  
E-mail: yhlee@masterimage.co.kr

- (b) if to Buyer, to:

MasterImage 3D Asia, LLC  
c/o Symphony 3D Technologies, LLC  
865 South Frankwood Avenue  
Reedley, CA 93654  
Attention: Chad Aaron, CFO  
Facsimile: (732) 922-1205  
Email: cmaaron@lighthouse-cap.com

- (c) with a copy to:

Bae, Kim & Lee LLC  
647-15 Yoksam-dong, Kangnam-gu  
Seoul, Korea  
Attention: Young-Joon Cho, Esq.

and:

Greenberg Traurig, LLP  
2450 Colorado Ave., Suite 400E  
Santa Monica, California 90404

Attention: Jack McBride, Esq.  
Facsimile: (310) 586-7800

8.4. Entire Agreement. This Agreement, the other Transaction Documents and the exhibits and schedules attached hereto and thereto constitute the entire agreement among the Parties with respect to the Transactions, and supersede all prior written agreements, arrangements and understandings and all prior and contemporaneous oral agreements, arrangements and understandings among the Parties with respect to the subject matter of this Agreement. The Parties shall not have any legal obligation to enter into the Transactions unless and until this Agreement shall have been executed and delivered by each Party.

8.5. Governing Law; Forum. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the Transactions shall be governed by, and construed in accordance with, the internal laws of the Republic of Korea. The Parties hereto agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the Seoul Central District Court.

8.6. Assignment; Successors. This Agreement may not be assigned by any Party without the prior written consent of the other Party, except that Buyer may assign this Agreement to any of its Affiliates or to a newly-formed company. Subject to the preceding sentence, this Agreement will be binding upon the Parties and their respective successors and assigns.

8.7. Severability. If any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any Applicable Law, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

8.8. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party.

#### ARTICLE IX DEFINITIONS

9.1. Affiliate. "Affiliate" shall mean any Person controlling, controlled by, or under common control with the named Party.

9.2. Agreement. "Agreement" shall have the meaning set forth in the preamble hereto.

9.3. Ancillary Documents. "Ancillary Documents" shall mean the documents set forth in Section 1.6 herein.

9.4. Applicable Law. "Applicable Law" shall have the meaning ascribed to it in Section 2.3 herein.

9.5. Assumed Liabilities. "Assumed Liabilities" shall have the meaning ascribed to it in Section 1.3(a) herein.

9.6. Balance Sheet Date. “**Balance Sheet Date**” shall have the meaning ascribed to it in Section 2.5(b) herein.

9.7. Benefit Plan. “**Benefit Plan**” shall have the meaning ascribed to it in Section 2.8(b) herein.

9.8. Business. “**Business**” shall have the meaning ascribed to it in the Recitals herein.

9.9. Buyer. “**Buyer**” shall mean MasterImage 3D Asia, LLC, a limited liability company organized and existing under the laws of the Republic of Korea.

9.10. Buyer Indemnified Person. “**Buyer Indemnified Person**” shall have the meaning ascribed to it in Section 7.2 herein.

9.11. Closing. “**Closing**” shall have the meaning ascribed to it in Section 1.5 herein.

9.12. Closing Date. “**Closing Date**” shall have the meaning ascribed to it in Section 1.5 herein.

9.13. Company. “**Company**” shall mean MasterImage Co., Ltd., a corporation organized and existing under the laws of the Republic of Korea.

9.14. Company Indemnified Persons. “**Company Indemnified Persons**” shall have the meaning ascribed to it in Section 7.3 herein.

9.15. Confidential Information. “**Confidential Information**” shall mean confidential data and confidential information relating to the Business of the Company (which does not rise to the status of a Trade Secret under applicable law) which has value to the Company and is not generally known to the competitors of the Company. Confidential Information shall not include any data or information that (a) has been voluntarily disclosed to the general public by the Company or its Affiliates, (b) has been independently developed and disclosed to the general public by others, or (c) otherwise enters the public domain through lawful means.

9.16. Contract. “**Contract**” shall mean all contracts, agreements, commitments, arrangements, instruments and understandings, whether written or oral, relating to the Company, the Business or the Purchased Assets.

9.17. Damages. “**Damages**” shall mean any and all damages, liabilities, obligations, penalties, fines, judgments, claims, deficiencies, losses, costs, expenses and assessments (including without limitation income and other Taxes, interest, penalties and attorneys’ and accountants’ fees and disbursements).

9.18. Dollars. “**Dollars**” or “**\$**” shall mean U.S. Dollars.

9.19. Environmental Claims. “**Environmental Claims**” shall have the meaning ascribed to it in Section 2.17(b) herein.

9.20. Excluded Assets. “**Excluded Assets**” shall have the meaning ascribed to it in Section 1.2 herein.

9.21. Financial Statements. “**Financial Statements**” shall have the meaning ascribed to them in Section 2.5 herein.

9.22. Governmental Authority. “**Governmental Authority**” shall have the meaning ascribed to it in Section 2.3 herein.

9.23. Hazardous Material. “**Hazardous Material**” shall mean all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any Applicable Laws as “hazardous substances,” “hazardous materials,” “hazardous wastes,” “toxic substances” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity or “EP toxicity”; (b) oil, petroleum or petroleum derived substances, natural gas, natural gas liquids or synthetic gas and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; and (d) asbestos in any form or electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

9.24. Indemnified Party. “**Indemnified Party**” shall have the meaning ascribed to it in Section 7.5(d) herein.

9.25. Indemnifying Party. “**Indemnifying Party**” shall have the meaning ascribed to it in Section 7.5(d) herein.

9.26. Indemnity Threshold. “**Indemnity Threshold**” shall have the meaning ascribed to it in Section 7.4(a) herein.

9.27. Intellectual Property. “**Intellectual Property**” shall have the meaning ascribed to it in Section 2.10 herein.

9.28. Inventory. “**Inventory**” shall mean all goods, merchandise and other personal property owned and held for sale, and all raw materials, works-in-process, materials and supplies of every nature which contribute to the finished products of the Company in the ordinary course of its business, specifically excluding, however, damaged, defective or otherwise unsaleable items.

9.29. Knowledge. “**Knowledge**” means knowledge after reasonable investigation.

9.30. Leases. “**Leases**” shall have the meaning ascribed to it in Section 2.13 herein.

9.31. Leased Premises. “**Leased Premises**” shall have the meaning ascribed to it in Section 2.13 herein.

9.32. Liens. “**Liens**” shall have the meaning ascribed to it in Section 1.1 herein.

9.33. Losses. “Losses” shall the meaning ascribed to it in Section 7.2 herein.

9.34. MasterImage USA. “MasterImage USA” shall mean MasterImage USA, Inc., a Delaware corporation.

9.35. MasterImage USA Purchase Agreement. “MasterImage USA Purchase Agreement” shall have the meaning ascribed to it the Recitals herein.

9.36. Material Adverse Change or Material Adverse Effect. “Material Adverse Change” or “Material Adverse Effect” means any effect or change that would be (or could reasonably be expected to be), individually or in the aggregate, materially adverse to the Business, assets, condition (financial or otherwise), operating results, or operations of the Company, or to the ability of the Company to timely consummate the Transactions (regardless of whether or not such adverse effect or change can be or has been cured at any time or whether Buyer has knowledge of such effect or change on the date hereof), but excluding any adverse change, event, development, or effect resulting from or arising out of (a) changes in economic conditions generally or in the industries in which the Company operates, whether international, national, regional or local, (b) any change of Applicable Laws, accounting standards or regulatory policy adopted or approved by any Governmental Entity, and (c) changes or adverse conditions in the securities markets, including those relating to debt financing.

9.37. Material Contracts. “Material Contract” means any contract, agreement, commitment, arrangement, instrument or understanding, whether written or oral (including any amendment, supplement and modification thereto) (a) under which the Company is or may be entitled to receive revenues of more than \$10,000 in any calendar year, (b) under which the Company may become subject to any obligation to pay a liability of more than \$10,000 in any calendar year, (c) that cannot be canceled by the Company without penalty upon less than thirty (30) days notice, (d) with any employee, officer, director or independent contractor or with any labor union or other employee representative of a group of employees (including, without limitation, any collective bargaining agreement), (e) involving a share of revenue, profits, losses, costs or liabilities by the Company with any other Person, including any joint venture, partnership or other agreement, (f) containing covenants that in any way purport to restrict the business activity of the Company or limit the freedom of the Company to engage in any line of business or to compete with any Person, (g) for the lease or license of tangible personal property to or from any Person providing for payments in excess of \$10,000 per annum, (h) relating to the acquisition, transfer, use, development, sharing or license of any technology or any Intellectual Property (other than “off the shelf” or “shrink wrap” software and the Company’s standard employee confidentiality and inventions assignment agreements), (i) under which the Company has created, incurred, assumed or guaranteed any indebtedness for borrowed money or any capitalized lease obligation or under which the Company has imposed or suffered the imposition of any Lien on any of the Company’s assets, tangible or intangible, (j) relating to the acquisition, issuance or transfer of any capital stock or other equity securities of the Company, (k) between any strategic partner, distributor, customer, or supplier and the Company involving any obligation to pay more than \$10,000 in any calendar year, or (l) the breach or termination of which could reasonably be expected to result in a Material Adverse Effect.

9.38. Party or Parties. “**Party**” or “**Parties**” shall mean the Company, the Stockholder (where applicable), and Buyer, whether individually or collectively.

9.39. Permits. “**Permits**” shall mean any and all permits, rights, approvals, licenses, authorizations, legal status, orders, or Contracts under any Applicable Law or otherwise granted by any Governmental Authority.

9.40. Person. “**Person**” shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any governmental or political subdivision or any agency, department or instrumentality thereof.

9.41. Proprietary Information. “**Proprietary Information**” shall have the meaning ascribed to it in Section 2.10(c) herein.

9.42. Purchase Agreements. “**Purchase Agreements**” shall mean, collectively, this Agreement and/or the MasterImage USA Purchase Agreement.

9.43. Purchase Price. “**Purchase Price**” shall have the meaning ascribed to it in Section 1.4 herein.

9.44. Purchased Assets. “**Purchased Assets**” shall have the meaning ascribed to it in Section 1.1 herein.

9.45. Records. “**Records**” shall have the meaning ascribed to it in Section 1.7(d) herein.

9.46. Representatives. “**Representatives**” shall have meaning ascribed to it in Section 7.15(a) herein.

9.47. Tax; Taxes; Tax Return. “**Tax**” shall mean any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, and “**Taxes**” shall mean any or all of the foregoing collectively; and “**Tax Return**” shall mean any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto and including any amendment thereof.

9.48. Retained Liabilities. “**Retained Liabilities**” shall have the meaning ascribed to it in Section 1.3(b) herein.

9.49. Threshold. “**Threshold**” shall have the meaning ascribed to it in Section 7.4(a) herein.

9.50. Trade Secrets. “**Trade Secrets**” shall mean information of the Company including, but not limited to, technical or nontechnical data, formulas, patterns, compilations, programs, financial data, financial plans, product or service plans or lists of actual or potential

customers or suppliers which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

9.51. Transactions. “**Transactions**” shall have the meaning ascribed to it in Section 1.3(b) herein.

9.52. Transaction Documents. “**Transaction Documents**” shall have the meaning ascribed to it in Section 1.6 herein.

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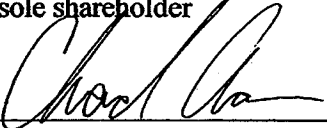


IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

**BUYER:**

MASTERIMAGE 3D ASIA, LLC,  
a limited liability company organized under the laws of the Republic of Korea

By: MasterImage 3D LLC,  
a Delaware limited liability company,  
Its sole shareholder

By:   
Chad Aaron  
Chief Financial Officer

**COMPANY:**

MASTERIMAGE CO., LTD.,  
a corporation organized under the laws of the Republic of Korea

By: \_\_\_\_\_  
Younghoon Lee  
President and CEO

**STOCKHOLDER:**

By: \_\_\_\_\_  
Younghoon Lee

MasterImage Co., Ltd.  
Asset Purchase Agreement  
Signature Page

LA 128447146v15

PATENT  
REEL: 024847 FRAME: 0103

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

**BUYER:**


MASTERIMAGE 3D ASIA, LLC,  
a limited liability company organized under the laws of the Republic of Korea

By: MasterImage 3D LLC,  
a Delaware limited liability company,  
Its sole shareholder

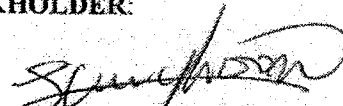
By: \_\_\_\_\_  
Chad Aaron  
Chief Financial Officer

**COMPANY:**

MASTERIMAGE CO., LTD.,  
a corporation organized under the laws of the Republic of Korea

By:   
\_\_\_\_\_  
Younghoon Lee  
President and CEO

**STOCKHOLDER:**

By:   
\_\_\_\_\_  
Younghoon Lee

MasterImage Co., Ltd.  
Asset Purchase Agreement  
Signature Page

LA 128447146v15

## SCHEDULE 1.1

### PURCHASED ASSETS

For purposes of this Agreement, "Purchased Assets" includes all assets and properties owned or used by the Company in connection with its business, including, without limitation:

(i) all raw materials, works-in-process, inventories and other materials of the Company wherever located, all inventory in transit or on order and not yet delivered, and all rights with respect to the processing and completion of any works-in-process of the Company, including the right to collect and receive charges for services performed by the Company with respect thereto;

(ii) all supplies, equipment, vehicles, machinery, furniture, fixtures, leasehold improvements and other tangible property used by the Company in connection with its business, and the Company's interest as lessee in any leases with respect to any of the foregoing;

(iii) all of the Company's right, title and interest in and to its Contracts, including the Material Contracts listed on or required to be listed on **Schedule 2.10** to the Agreement;

(iv) all Intellectual Property (including, without limitation, all patents co-patents, patent rights, and co-patent rights), Trade Secrets, Confidential Information, proprietary knowledge, computer software and licenses, formulae, designs and drawings, quality control data, processes (whether secret or not), methods, inventions and other similar know-how or rights used in the conduct of the Company's Business, including, but not limited to, the areas of manufacturing, marketing, advertising and personnel training and recruitment, together with all other Intellectual Property used in connection with the Company's Business, including all files, manuals, documentation and source and object codes related thereto;

(v) all utility, security and other deposits and prepaid expenses;

(vi) the Company's Business as a going concern and its franchises, Permits and other authorizations of Governmental Authorities (to the extent such Permits and other authorizations of Governmental Authorities are transferable) and third parties, licenses, telephone numbers, customer lists, vendor lists, referral lists and contracts, advertising materials and data, restrictive covenants, choses in action and similar obligations owing to the Company from its present and former shareholders, officers, employees, agents and others, together with all books, operating data and records (including financial, accounting and credit records), files, papers, records and other data of the Company;

(vii) all rights of the Company in and to all tradenames, trademarks and slogans used in its business, all variants thereof, and all goodwill associated therewith;

(viii) all rights to real property used by the Company including, without limitation, all leasehold interests of the Company as set forth in the Leases; and

(ix) all other property and rights of every kind or nature used by the Company in the operation of its Business.

**SCHEDULE 1.2**

**EXCLUDED ASSETS**

For purposes of this Agreement, "Excluded Assets" shall mean assets and properties listed below:

- (i) all cash and cash equivalents held in the following Company accounts:
  - (1) Industrial Bank of Korea account number 498-000742-04-022;
  - (2) Industrial Bank of Korea account number 498-000742-56-00011; and
  - (3) Kookmin Bank account number 295401-01-083885.
- (ii) all accounts receivable other than short-term loan receivable from nFX Media and loan receivable from Younghoon Lee regarding Movist Co. Ltd.;
- (iii) assets regarding advanced payment for employee insurance; and
- (iv) 80,001 units of membership interest of MasterImage 3D.

**SCHEDULE 1.3(a)**

**ASSUMED LIABILITIES**

**NONE**

**SCHEDULE 1.4(b)**

**ALLOCATION OF PURCHASE PRICE**

**SCHEDULE 1.6**

**TRANSACTION DOCUMENTS**

1. Asset Purchase Agreement
2. Bill of Sale, Assignment of Contracts, and Assignment of Lease
3. Intellectual Property Assignments from the Company
4. Intellectual Property Assignments from the IP Co-Owners
5. Non-Competition Agreement
6. Employment Agreement(s)
7. Officer's Certificate
8. Director's Certificate
9. Resolutions of the Board of Directors
10. Resolutions of the Stockholders
11. Consent Letters regarding Assignment of Contracts
12. Consent Letters regarding Assignment of Co-Owned Patent
13. Consent Letters regarding Assignment of Receivables

**SCHEDULE 2.3**

**CONFLICTS; REQUIRED FILINGS AND CONSENTS**

**\* Consent from Counterparties required regarding assignment of contract**

Year	Date	Counterparties	Title	Note
2007	May 10	Telson TNT (I-Station)	3D UMPC Development Agreement	3D UMPC Development including product package, User Guide etc.
2008	May 12	James Steele / Media Tribe / KDC	Sales Agreement	KDC and MI Korea appointing Jim Steele and Media Tribe as sales representative regarding sales and promotion to Nokia Corp. Period of Contract : 9 months (automatic 6 months extension)
2009	Feb.	Evergreen	Legal Advisory Agreement	Law Firm
"	April 09	Digital Qube (I-Station)	NDA	NDA for 3D TN Module Period of Contract : 2 years
"	April 15	Digital Qube (I-Station)	Waiver of Co-Patent	Filled in application No. of Domestic & Foreign Patent and PCT
"	July 17	Jaegwan Im Gwangyou Kim	Office Lease Agreement	Period of Contract : 2 years
"	August 04	ViewStar	Sales and Supply Contract	2.8 & 3.0 inch LCD Module
"	August 04	ViewStar	Sole Agent Agreement	
"	Aug. 1	nFX	Banner Ads & Homepage Maintenance Service Agreement	
"	Sep. 15	nFX	Office Lease Agreement	

**\* Consent from IP Co-Owner required regarding Assignment of Co-Patent**

Filing Date	Application No.	Issue Date of Patent	Patent No.	Title of the Invention	Status	Applicant
2007-01-05	10-2007-0001346	2008-11-05	10-0868244	Method for generating stereoscopic image using the mobile equipment and chipset for generating stereoscopic image used in mobile equipment	Registration	co-patent (Salux)
2008-06-10	10-2008-0054215 (Domestic) / 98119428 (Foreign)			Stereoscopic image generation chip for mobile equipment, and method for generating stereoscopic image using the same	Pending	co-patent (Praotech)

**\* Consent from Debtors required regarding assignment of Receivables**

Debtor	Receivables	Underlying Agreement
nFX Media	Short-term loan receivable	Loan agreement
Younghoon Lee	Loan receivable	Loan agreement



**SCHEDULE 2.4(a)**

**LIENS**

**NONE**

**SCHEDULE 2.5(a)**

**FINANCIAL STATEMENTS**

MasterImage Korea Balance Sheet

	31-Dec-08	31-Mar-09	30-Jun-09	30-Sep-09
<b>Asset</b>				
Cash and cash equivalents	21,559	102,964	139,446	100,968
Accounts receivable, net	938,245	3,285,286	3,575,381	4,474,616
Other current asset	7,612	1,915	2,508	3,727
Advance payments	48,160	60,078	142,523	139,864
Short-term loan receivable	4,314		39,130	147,826
Due from officer			200,000	201,237
Inventory	1,907	1,907	1,907	
<b>Total Current Assets</b>	<b>1,021,797</b>	<b>3,452,150</b>	<b>4,100,895</b>	<b>5,068,238</b>
Property and equipment, net of amortization	311,717	314,752	331,143	511,422
Leased assets	0	0	0	0
Accumulated depreciation	(211,406)	(205,115)	(214,347)	233,850
<b>Net, Property &amp; Equipment</b>	<b>100,311</b>	<b>109,637</b>	<b>116,796</b>	<b>277,572</b>
Investment	323,478	323,478	323,478	323,700
Security deposits	103,107	97,994	102,116	20,606
Research & Development, net of amortization	827,427	927,747	937,655	269,142
<b>Total Other Asset</b>	<b>1,254,012</b>	<b>1,349,219</b>	<b>1,363,249</b>	<b>613,448</b>
<b>Total Asset</b>	<b>2,376,120</b>	<b>4,911,006</b>	<b>5,580,940</b>	<b>5,959,257</b>
<b>Liabilities</b>				
Accounts payable -A	1,155,707	1,094,968	901,550	531,974
Accounts payable -B				465,220
Accounts payable -C				490,900
Payroll tax payable	51,984	47,689	11,056	23,256
Value added tax payable	64,530	308,816	124,699	109,002
Note payable, current	260,869	324,573	476,695	389,739
Advances from customers suspense receipts	10,434	0	0	0
		9,565		0
Accrued expenses	23,860	11,642	12,878	10,163
Convertible bond	433,477	439,952	439,952	439,952
<b>Total Current Liabilities</b>	<b>2,000,861</b>	<b>2,237,205</b>	<b>1,966,830</b>	<b>2,460,206</b>
<b>Total Long-Term Liabilities</b>	<b>139,521</b>	<b>133,191</b>	<b>171,067</b>	
<b>Total Liabilities</b>	<b>2,140,382</b>	<b>2,370,396</b>	<b>2,137,897</b>	<b>2,460,206</b>
<b>Stockholder's Equity</b>				
Common stock	675,652	675,652	675,652	675,652
Preferred stock	96,618	96,618	96,618	96,618
Additional paid-in capital	1,398,583	1,398,583	1,398,583	1,398,583
Consideration for conversion rights	17,300	17,300	17,300	(52,264)
Retained earnings (Accumulated deficiencies)	(1,952,415)	352,457	1,254,890	1,380,462
<b>Total Stockholder's Equity</b>	<b>235,738</b>	<b>2,540,610</b>	<b>3,443,043</b>	<b>3,499,051</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>2,376,120</b>	<b>4,911,006</b>	<b>5,580,940</b>	<b>5,959,257</b>

MasterImage Korea Income Statement

	31-Dec-08	31-Mar-09	30-Jun-09	30-Sep-09
Sales	1,360,564	2,895,901	4,544,154	6,846,390
Cost of goods sold	834,949	233,650	689,849	1,879,582
Gross profit	525,615	2,662,251	3,854,305	4,966,808
Selling, general and administrative expenses	1,236,580	338,535	619,852	1,570,414
Operating income	(710,965)	2,323,716	3,234,453	3,396,394
Non-operating income	94,934	13,840	19,847	19,890
Non-operating expenses	302,463	32,684	46,994	83,404
Income before income taxes	(918,494)	2,304,872	3,207,306	3,332,880
Income taxes	-	-	-	-
Net income	(918,494)	2,304,872	3,207,306	3,332,880
Earnings per share of common stock	(918,494)	2,304,872	3,207,306	3,332,880

Masterimage Korea Cash Flow Statement

	31-Dec-08	31-Mar-09	30-Jun-09	30-Sep-09
Net Loss	-918,494	2,294,569	3,186,699	2,953,402
Addition of Expenses without Cash Outflows	339,098	27,662	50,220	81,543
Depreciation Expense	123,015	18,421	37,956	68,931
Deduction of Revenues without Cash Inflows	148,860	13,720	19,475	19,475
Gain On Disposition of Marketable Securities	80,593	-	5,704	5,704
(Increase) Decrease in operating assets:	-515,382	-2,350,342	-2,935,719	-3,832,844
Decrease in Trade Accounts Receivable (Increase)	-590,623	-2,344,120	-2,646,460	-3,545,695
Increase (Decrease) in operating liabilities:	62,167	91,766	99,437	82,185
Decrease in Trade Accounts Payables (Decrease)	-30,918	-128,806	-128,806	-128,806
Net cash provided by Operating Activities	-1,181,470	49,935	182,289	-735,189
Disposition of Marketable Securities	282,005	-	-	-
Gain on Disposition of Property and equipment, net of amortization	45,467	-	-	-
Collection of Short Term Loan	-	4,314	9,324	9,324
Acquisition of Intangible Assets	-	104,744	110,951	143,512
Security deposits	-	-	-	166,035
Acquisition of Intangible Assets	-	-	-	-655,150
INVESTING ACTIVITIES	333,845	-85,954	-139,985	169,863
Short-term Borrowings	3,908	63,704	215,826	128,870
Issuance of Bonds Payable	393,781	-	-	-
Sale of treasury stock	-	-	-	69,565
Cash Outflow for Accounts payable	-891,740	-68,067	125,351	-461,194
Retirement of Bonds	439,952	-	-	-
Net cash used in Investing Activities	849,475	131,772	90,476	659,629
Net cash increase for period	1,850	83	132,779	94,302
Cash at beginning of period	4,816	6,666	6,666	6,666
Cash at end of period	6,666	102,418	139,445	100,968

**SCHEDULE 2.5(b)**

**LIABILITIES**

**None**

**SCHEDULE 2.5(c)**

**ACCOUNTS RECEIVABLE**

**None**

**SCHEDULE 2.5(d)**

**INVENTORY**

**None**

**SCHEDULE 2.6(a)**

**CHANGES**

**NONE**



**SCHEDULE 2.6(b)**

**COMPANY ACTIONS**

Date	Company	Title	Note
October 30	CJ CGV	Business Co-operation Agreement	
	Jungsitahwa	Business Co-operation Agreement	Under Negotiation

**SCHEDULE 2.8(a)****List of Employees, Officers and Directors**

Job Title	Name	Date of Hire	Annual Salary (KRW)	Address	Transfer
Representative Director	Younghoon Lee	2004. 12. 10.	200,000,000	Seoul	O
Executive Vice President	Jonggeun Hwang	2009.09.29	67,059,204	Seoul	O
Senior Vice President	Simon Cho	2007.11.01	90,000,000	Seoul	O
Vice President (R&D Center)	Jack Lee	2009.09.15	80,000,000	Seoul	O
Director	Keunouk Kim	2009.05.01	78,000,000	Seoul	O
Director	Juyong Lee	2006.04.17	80,000,000	Seoul	O
Director	Yongbi Jung	2005.11.22	80,000,000	Seoul	O
Chief Engineer	Moonseok Choi	2006.09.04	65,900,000	Seoul	O
Senior Engineer	Bongjae So	2007.04.03	54,000,000	Seoul	O
Senior Engineer	Sangwoo Kim	2007.10.29	49,000,000	Seoul	O
Senior Engineer	Changman Kang	2008.05.06	44,000,000	Seoul	O
Senior Engineer	Youngchang Lee	2007.05.30	47,000,000	Seoul	O
Senior Engineer	Yongkyu Kim	2007.02.18	48,690,000	Seoul	O
Junior Engineer	Jaekyum Lee	2007.07.02	28,000,000	Seoul	O
Engineer	Seungwoo Park	2009.09.18	25,500,000	Seoul	O
Senior Manager	Dan Zheng	2009.09.29	40,000,000	Seoul	O
Senior Manager	Myoungchan Seo	2009.09.29	40,000,000	Seoul	O
Manager	Sunny Jung	2009.09.29	34,000,000	Seoul	O
Manager	Soonyi Namkung	2006.06.12	40,500,000	Seoul	O
Manager	Youngwook Choi	2008.02.11	43,100,000	Seoul	O
Manager	Hoon Juhn	2009.09.29	33,891,360	Seoul	O
Assistant Manager	Hyoungkuk Jung	2005.11.14	40,370,000	Seoul	O
Assistant Manager	Seoyoon Choi	2007.05.14	34,000,000	Seoul	O
Assistant Manager	Jiyong Park	2007.06.25	34,000,000	Seoul	O
Assistant Manager	Jackie Kim	2009.09.29	26,000,000	Seoul	O
-	Boram Yi	2009.09.21	21,500,000	Seoul	O
-	Myoungjee Kim	2009.08.03	28,000,000	Seoul	O

## SCHEDULE 2.8(b)

### EMPLOYMENT/CONSULTING AGREEMENTS

#### 1. Employment Agreement of MasterImage Korea

No	Name	Title	Date of Contract
1	Simon Cho	Employment Agreement	November 01, 2007
2	Keunouk Kim	Employment Agreement	May 01, 2009
3	Yongbi Jung	Employment Agreement	April 23, 2007
4	Moonseok Choi	Employment Agreement	April 23, 2007
5	Bongjae Sho	Employment Agreement	April 01, 2008
6	Sangwoo Kim	Employment Agreement	October 29, 2007
7	Juyong Lee	Employment Agreement	April 23, 2007
8	Youngchang Lee	Employment Agreement	April 01, 2008
9	Jaegyum Lee	Employment Agreement	July 02, 2009
10	Hyoungguk Jung	Employment Agreement	April 01, 2008
11	Yonggyu Kim	Employment Agreement	April 01, 2008
12	Soony Namkung	Employment Agreement	April 23, 2007
13	Jiyong Park	Employment Agreement	June 25, 2008
14	Seoyoon Choi	Employment Agreement	January 01, 2008
15	Youngwook Choi	Employment Agreement	February 11, 2008
16	Changman Kang	Employment Agreement	June 24, 2008
17	Myoungji Kim	Employment Agreement	August 03, 2009
18	Seungwoo Park etc.	Employment Agreement for Temporary worker	September 19, 2009
19	Jonggeun Hwang	Employment Agreement for Temporary worker	September 29, 2009
20	Boram Rhee	Employment Agreement for Temporary worker	September 21, 2009
21	Jack Lee	Employment Agreement for Temporary worker	September 15, 2009
22	Dan Zheng	Employment Agreement for Temporary worker	September 29, 2009
23	Jackie Kim	Employment Agreement for Temporary worker	September 29, 2009
24	Sunny Jung	Employment Agreement for Temporary worker	September 29, 2009
25	Hoon Juhn	Employment Agreement for Temporary worker	September 29, 2009
26	Myoungchan Seo	Employment Agreement for Temporary worker	September 29, 2009

#### 2. Consulting Agreement

Year	Date	Company	Title	Term	Note
2009	February	Evergreen	Legal Advisory Agreement		Law Firm

## Benefit Plan

- Employees declare to get the national pension system and the medical insurance by compulsion when they are hired.
- Rating of the national pension and medical insurance is graded by employees' income.
- National pension: 4.5% by employee, 5.08% by company
- Medical insurance: 5.08% by employee, 5.08% by company
- Long term medical treatment insurance: 4.78% by employee, 4.78% by company
- Stock Option
  - Condition: On duty
  - Terms: For 2 years after 3 years have passed since offering stock option

**SCHEDULE 2.9**  
**MATERIAL CONTRACTS**

1. MasterImage Korea

Year	Date	Company	Title	Note
2007	May 10	Telson TNT (I-Station)	3D UMPC Development Agreement	3D UMPC Development including product package, User Guide etc.
2008	May 12	James Steele / Media Tribe / KDC	Sales Agreement	KDC and MI Korea appointing Jim Steele and Media Tribe as sales representative regarding sales and promotion to Nokia Corp. Period of Contract : 9 months (automatic 6 months extension)
2009	Feb.	Evergreen	Legal Advisory Agreement	Law Firm
"	April 09	Digital Qube (I-Station)	NDA	NDA for 3D TN Module Period of Contract : 2 years
"	April 15	Digital Qube (I-Station)	Waiver of Co-Patent	Filled in application No. of Domestic & Foreign Patent and PCT
"	July 17	Jaegwan Im Gwangyou Kim	Office Lease Agreement	Period of Contract : 2 years
"	August 04	ViewStar	Sales and Supply Contract	2.8 & 3.0 inch LCD Module
"	August 04	ViewStar	Sale Agent Agreement	
"	Aug. 1	nFX	Banner Ads & Homepage Maintenance Service Agreement	
"	Sep. 15	nFX	Office Lease Agreement	
"	Sep. 18	KDC	Manufacture and Sales Agreement	
"	Sep. 18	KDC	Sales Abandonment Agreement	
"	October 30	CJ CGV	Business Cooperation Agreement	

**SCHEDULE 2.10**  
**INTELLECTUAL PROPERTY**

<Domestic>

Filing Date	Application No.	Issue Date of Patent	Patent No.	Title of the Invention	Status / Note
2005-08-26	10-2005-0078650	2006-11-13	10-0647517	Cell type Parallax-Barrier and stereoscopic image display apparatus using the same	Registration
2005-12-22 (2004-12-22)	10-2005-0127631 (10-2004-0110501)	2007-08-20	10-0752336	Parallax-Barrier type stereoscopic display apparatus	Registration
2006-01-20	10-2006-0006430	2007-04-13	10-0709728	Apparatus and method for attaching display panel for stereoscopic image	Registration
2006-11-10	10-2006-0111011	2008-07-04	10-0845584	Circularly polarized filter Stereoscopic image projector system apparatus for stereoscopic image projecting system and stereoscopic image projecting system using the same	Registration
2007-01-05	10-2007-0001346	2008-11-05	10-0868244	Method for generating stereoscopic image using the mobile equipment and chipset for generating stereoscopic image used in mobile equipment	Registration (Co-patent with Salux)
2007-11-06 (2006-11-06)	10-2007-0112548 (10-2006-0109066)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2007-06-04	10-2007-0054462			Method and apparatus for generating stereoscopic image	Pending
2007-08-03	10-2007-0078216			Apparatus for watching stereoscopic image	Pending
2008-03-19	10-2008-0025385			Apparatus for attaching display panel for stereoscopic image during the process of horizontal/vertical direction alignment thereof	Pending (Co-patent with I-Station)
2008-06-10	10-2008-0054215			Stereoscopic image generation chip for mobile equipment, and method for generating stereoscopic image using the same	Pending (Co-patent with Proatech)

<Foreign>

Filing Date	Application No.	Issue Date of Patent	Patent No.	Title of the Invention	Status
2005-12-22	PCT/KR2005/004447			Parallax-Barrier type stereoscopic display apparatus	Pending
2007-06-15	2007-546575 (Japan)			Parallax-barrier type stereoscopic display apparatus	Pending

2007-06-21	11/722,478 (U.S.)			Parallax-barrier type stereoscopic display apparatus	Pending
2007-06-22	200580044323.X (China)			Parallax-barrier type stereoscopic display apparatus	Pending
2007-06-28	05 821 917.1 (Europe)			Parallax-barrier type stereoscopic display apparatus	Abandoned
2006-08-25	PCT/KR2006/003352			Cell type Parallax-Barrier and stereoscopic image display apparatus using the same	Pending
2008-02-25	12/064,795 (U.S.)			Cell type parallax-barrier and stereoscopic image display apparatus using the same	Pending
2008-03-24	200680035142.5 (China)			Cell type parallax-barrier and stereoscopic image display apparatus using the same	Pending
2008-03-25	06783739.3 (Europe)			Cell type parallax-barrier and stereoscopic image display apparatus using the same	Pending
2008-03-25	2008-527852 (Japan)			Cell type parallax-barrier and stereoscopic image display apparatus using the same	Pending
2008-03-27	97111100 (Taiwan)			Cell type parallax-barrier and stereoscopic image display apparatus using the same	Pending
2006-11-06	PCT/KR2007/005578			Stereoscopic image projecting system using circularly polarized filter module	Pending
2007-11-06	96141993 (Taiwan)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-05	2668709 (Canada)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-05	198565 (Israel)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-05	12/513,590 (U.S.)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-06	07 833 886.0 (Europe)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-06	200903064-4 (Singapore)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-08	2007318346 (Australia)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-26	2009/03607 (South Africa)			Stereoscopic image projecting system using circularly polarized filter module	Pending

2009-06-03	To be informed (India)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-06-05	200780044999.8 (China)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-06-05	2009121563 (Russia)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-07	2009-536158 (Japan)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-05-06	PI0718820-0 (Brazil)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2009-08-24	09107770.2 (Hong Kong)			Stereoscopic image projecting system using circularly polarized filter module	Pending
2007-01-18	PCT/KR2007/000294			Apparatus and method for attaching display panel for stereoscopic image	Pending
2008-07-17	200780003297.5 (China)			Apparatus and method for attaching display panel for stereoscopic image	Pending
2008-07-22	2008-551183 (Japan)			Apparatus and method for attaching display panel for stereoscopic image	Pending
2009-03-19	PCT/KR2009/001392			Apparatus for attaching display panel for stereoscopic image during the process of horizontal/vertical direction alignment thereof	Pending (Co-patent with I-Station)
2009-03-19	98108641 (Taiwan)			Apparatus for attaching display panel for stereoscopic image during the process of horizontal/vertical direction alignment thereof	Pending (Co-patent with I-Station)
2009-06-10	98119428 (Taiwan)			Stereoscopic image generation chip for mobile equipment, and method for generating stereoscopic image using the same thereof	Pending (Co-patent with Proatech)
2009-06-09	PCT/KR2009/003073			Stereoscopic image generation chip for mobile equipment, and method for generating stereoscopic image using the same	Pending (Co-patent with Proatech)

<Trademark>

Filing Date	Application No.	Issue Date of Patent	Patent No.	Title of the invention	Status
2006-11-06	40-2006-0056028	2008-06-11	40-0749573	masterImage	Registration
2007-07-11	70-2007-0000439	2009-02-13	40-0749573	masterImage	Registration
2009-04-23	40-2009-0018968			CELLMATRIX	Pending



<Design>

Filing Date	Application No.	Issue Date of Patent	Patent No.	Title of the Invention	Status
2008-01-15	30-2008-0001813	2009-02-09	30-0520158	Kiosk for stereoscopic image	Registration
2008-02-11	30-2008-0005732	2009-02-19	30-0521365	Stereoscopic image projecting system using circularly polarized filter module	Registration

※ Possible Conflict regarding IP

- Dispute against PureDepth, Inc.

On October 26, 2009, Digital Cube Co. Ltd (“iStation”) received a letter from PureDepth Inc. (“PureDepth”), notifying iStation that PureDepth had terminated that certain Term Sheet entered into by PureDepth and iStation on July 24, 2009 (the “Notice Letter”). The Notice Letter also stated that PureDepth believed that certain products of the Company may infringe PureDepth intellectual property rights. Based upon the Notice Letter, PureDepth may initiate patent infringement litigation against the Company. The Company has no Knowledge that PureDepth will actually initiate patent infringement litigation against the Company.

**SCHEDULE 2.13(b)**  
**Lease**

1. The Office Lease

- The Office Lease between the MasterImage Co., Ltd. and Vison Tower (Jaegwan Im and Kwangyou Kim & Junghee Kang) dated August 31, 2009, for the property located at 6F, Vison Tower, 826-26, Yeoksamdong, Gangnamgu, Seoul, Korea, 135-080

- Term

From	To	Period
August 31, 2009	August 30, 2011	2 years

**SCHEDULE 2.14**  
**Non-Compliance**

**NONE**

**SCHEDULE 2.16(a)**  
**Permits**

**NONE**

**SCHEDULE 2.16(b)**

**Environmental Claims**

**NONE**

**SCHEDULE 2.17**  
**Voting Securities**

Company	Percentage	Number of Shares/Units	Note
nFX. Media	41.3%	744,000	Domestic Company
MasterImage 3D LLC	15.08%	80,001	U.S. Company

**SCHEDULE 2.19**  
**Transactions with Affiliates**

1. Financial Affairs

1.1. MasterImage USA → MasterImage Korea

[None]

1.2. MasterImage Korea → nFX Media

Date	Loan	Interest	Term	Redemption Date
June 25, 2009	39,130	9% per year	1 year	June 25, 2010
July 06, 2009	26,087	9% per year	1 year	July 06, 2010
August 05, 2009	30,435	9% per year	1 year	August 05, 2009
September 03, 2009	17,391	9% per year	1 year	September 03, 2010
September 30, 2009	34,782	9% per year	1 year	September 30, 2010
October 09, 2009	13,043	9% per year	1 year	October 09, 2010

USD 1 = KRW 1,150

2. Transactions with Affiliates

No.	Date of Contract	Counterparty	Description
1	1-Aug-09	nFX	Banner Ads & Homepage Maintenance Service Agreement
2	15-Sep-09	nFX	Office Lease Agreement
3	5-Jun-09	Younghoon Lee	loan receivable (KRW 230,000,000)

2.1. List of Services by nFX Media to MasterImage pursuant to Banner Ads & Homepage Maintenance Service Agreement

- MasterImage Banner Ads on Movist.com : 4,348US\$/monthly
- MasterImage Korea Homepage Maintenance Service : 1,739US\$ / monthly
- MasterImage Korea Homepage Renewal Expenses : 13,043US\$

SCHEDULE 3.4

STOCKHOLDER CONFLICTS

NONE